THE IMPERIAL CONFERENCE

RICHARD JEBB

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THE IMPERIAL CONFERENCE

VOL. II

THE IMPERIAL CONFERENCE

A HISTORY AND STUDY

BY

RICHARD JEBB, M.A.

IN TWO VOLUMES

VOL. II

LONGMANS, GREEN AND CO.
39 PATERNOSTER ROW, LONDON
NEW YORK, BOMBAY, AND CALCUTTA
1911

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LIST OF ABBREVIATED REFERENCES

R = Report of Proceedings of the Colonial Conference, 1907. Cd. 3523.

P = Papers appended thereto. Cd. 3524.

Where quoted in the course of the narrative, Resolutions actually passed by the Conference are printed in heavy type.

CONTENTS

PART V

LONDON, 1907

CHAP.		PAGE
X.	The Recess, 1902–1907	3
XI.	The Imperial Constitution	68
XII.	Imperial Defence	136
XIII.	Preference—The Banged Door	180
XIV.	Subsidiary Questions	266
XV.	The Development Fund, and the All-Red Route	321
	Appendix J. Preferences enacted, 1902–07	369
	„ K. Resolutions of the Imperial Conference	373
	„ M. Inter-Imperial Mail Services	388
	„ N. Diagram—Imperial Evolution *facing p.*	390
	INDEX	391

PART V

LONDON, 1907

LONDON, 1907

IMPERIAL CONFERENCE

FIFTH SESSION

Ministers Present

Britain :—

*Sir Henry Campbell-Bannerman, Premier.
The Earl of Elgin, Secretary for the Colonies.
‡Sir Edward Grey, Secretary for Foreign Affairs.
†Lord Tweedmouth, First Lord of the Admiralty.
†Mr. R. B. Haldane, Secretary for War.
†Mr. H. H. Asquith, Chancellor of the Exchequer.
†Mr. D. Lloyd George, President of the Board of Trade.
†Mr. Sydney Buxton, Postmaster-General.
†Mr. John Burns, President of the Local Government Board.
†Lord Loreburn, Lord Chancellor.
‡Mr. John Morley, Secretary for India.
‡The Earl of Crewe, President of the Council.

Canada :—

Sir Wilfrid Laurier, Premier.
†Sir Frederick Borden, Minister of Defence and Militia.
†Mr. L. P. Brodeur, Minister of Marine and Fisheries.

Australia :—

Mr. Alfred Deakin, Premier.
†Sir William Lyne, Minister for Trade and Customs.

New Zealand :—

Sir Joseph Ward, Premier.

Cape Colony :—

Dr. L. S. Jameson, Premier.
†Dr. T. W. Smartt, Commissioner of Works.

Natal :—

Mr. F. R. Moor, Premier.

Newfoundland :—

Sir Robert Bond, Premier.

* Present at opening meeting only.
† Spoke only when questions relating to their special departments were under discussion.
‡ Not recorded to have spoken.

CHAPTER X

THE RECESS, 1902–1907

Position of Preference.

From 1902 onwards the history of the Imperial Conference, covering that of the Imperial movement generally, centres round the agitation in Britain for adapting the fiscal system of the country to the purpose of Imperial Reciprocity. By force of circumstances rather than through *a priori* reasoning the struggle for Imperial union had at length concentrated on the real crux of the problem—*i.e.* the fact that no form of State can endure, even if it can temporarily be created, unless based upon an avowed economic inter-dependence of its members. It is within the province of the present work, but beyond the capacity of the present volume, to give an account of the vicissitudes of Preference in Britain as well as beyond the seas, and to discuss the difficulties which the resistance of the British Free Traders created for the Empire in India and elsewhere. Unquestionably the story of Mr. Chamberlain's campaign will always possess a fascinating interest for future generations. If Imperial Reciprocity is destined to win through, posterity will inquire wonderingly how the resistance to so vital a policy could have been so prolonged. If, on the other hand, the opportunity for establishing Imperial Reciprocity is finally to be lost, the historian of the Decline and Fall will equally be concerned to comprehend how the British people came to refuse the greatest destiny ever offered to any State or nation. In either event contemporaries of the crisis

will be summoned, through their recorded acts or utterances, to give evidence as to the political conditions which rendered possible so strange a course of affairs. But it is not practicable here to consider the vast influence in Britain of commercial and financial vested interests, subsidising both political parties in order to preserve Free Trade for the sake of the middleman's profits; the constant play of personal jealousy among the professional politicians of the party system; and the fatal divorce of party from principle which is often associated with degradation of politics. These factors, though obscured from notice in the whirl of affairs, may be among those which chiefly explain Mr. Balfour's rejection of the Canadian offer in 1902, and the devious career which has lately plunged the "constitutional" party into the abyss of a proposal to substitute Referendum for Representative Government.

Chamberlain and "sacrifice."

Belated wisdom, learning from the event, may easily suggest that Mr. Chamberlain made a fatal mistake in deciding to rely upon the conversion of the Unionist Party to his policy, instead of at once setting about the creation of a new political party, which by this time might have become a paramount force. In general it can be stated now with confidence that the victory of Tariff Reform has been delayed by a popular distrust of the Unionist Party rather than by any abiding dislike of Mr. Chamberlain's policy, which by nature is congenial to British instincts. But in one respect Mr. Chamberlain was handicapped by circumstances which could not be ignored or evaded. In 1903 the people of Britain were mostly Free Traders; not indeed by conviction—few of them ever having been concerned to examine the matter—but by tradition, which counts for almost as much. The protagonist of Preference appealed to

them as Free Traders. Therefore, he was constrained to represent his policy, or suffer it to be represented, as one entailing a "sacrifice" for the sake of Imperial union, in so far as it was necessary to impose duties on certain articles of food which were then on the free list. How much his campaign was prejudiced beyond the seas by this notion of sacrifice cannot easily be realised by those who have had no direct or extensive acquaintance with public opinion in the larger Dominions. It antagonised the self-respecting instinct of Colonial nationalism, which was already uncomfortably conscious that Britain was discharging more than her share of Imperial obligations. Many in Canada and Australasia who favoured Preference as a principle could not help rebelling at the suggestion, sedulously advertised by Mr. Chamberlain's political opponents, that the struggling masses of industrial Britain should be called upon to make a sacrifice for the benefit of prosperous Colonial farmers.

The Protectionist standpoint.

From the protectionist standpoint of the Dominions there would be, of course, no sacrifice whatever of insular interests in the actual programme put forward by Mr. Chamberlain. In the Colonial view his proposal was one of unmitigated advantage to the people of Britain, who would not only acquire a stronger position for their manufactures in the ever-expanding Colonial markets, but would draw revenue from their foreign competitors at home in relief of their own taxation. The trivial duties which Mr. Chamberlain proposed to levy on produce competing with a large and expansive duty-free supply could not in practice be passed on the consumer in Britain. They would be deducted from the profits of the foreign producer and the British or foreign middlemen who handled his goods in transit. When Sir Wilfrid Laurier asked in 1902 for "exemption" from the

shilling corn duty, he was acting in behalf of the western grain-growers and other Canadian interests, not in behalf of British consumers. Clearly the Canadian Government, when they offered a substantial price for the desired "exemption," had no doubt whatever as to who was paying the shilling duty, or was destined to pay it as soon as business adjusted itself to the new tax. "Exemption" would not affect the price of Canadian wheat in Britain; but it would tend to increase the price receivable on the Canadian prairie by the amount of the remitted tax at Liverpool. The Canadian interest was to obtain that exemption, not only for its own sake but as an inducement to emigrants to settle in favoured Canada rather than in foreign countries.

Imperially, therefore, Mr. Chamberlain's movement would have been on surer ground had its leader assumed the protectionist standpoint from the outset, instead of trying to appeal as a Free Trader to Free Traders. At the time it may have seemed unnecessary to his purpose for him to set about weaning the British people from their Free Trade superstition; a task which, considering the magnitude of the capitalist interests behind the superstition, would obviously require many years. Yet the Tariff Reform League has already come near accomplishing the national conversion. Had he been a younger man, Mr. Chamberlain might or might not have decided to make sure of ultimate success by forming a new party to carry out his policy; but he very probably would have taken a more protectionist line at the start. In the years preceding his resignation he would sometimes advise the restive younger politicians on his own side, if they wished to make a place for themselves, to take up the whole question of the national fiscal policy, and reconsider it with a view to satisfying themselves as to

whether the existing system was really based on sound assumptions or was still calculated to serve the needs of the time. Many appear to have done so, under pressure of circumstances, in the last seven years; with the result that if Imperial Reciprocity were to fail Insular Protection might not improbably follow. At any rate Free Trade, which formerly was an article of faith, is to the mind of the rising generation either a mischievous anachronism or an open question.

The "forbidden list."

Mr. Chamberlain's original proposal contained another feature which is supposed with less reason to have lost him sympathy in the Dominions. Much has been made by his partisan opponents of what they call his "forbidden list" of Colonial manufactures. He suggested that part of the arrangement might be that the protectionist Colonies should for a time refrain from trying to foster certain industries, to be agreed upon, to which their local conditions were clearly unfavourable. That was never a vital part of his proposal, and he himself did not persist with it. In the Dominions it was never taken very seriously. There, some protectionist advocates of Preference were not unfavourably inclined; while one and all felt quite confident in the ability of their own Governments to safeguard local interests in any fiscal negotiations. The interest of the proposal has become academic, British advocates of Preference having long since dropped it.

Sir Frederick Pollock's committee.

Among British Imperialists there were a few who still clung to the belief that closer union could be approached more hopefully from the political than from the commercial side. They seem to have persuaded themselves that others might succeed in establishing the Advisory Council which Mr. Chamberlain had proposed in vain. It was a curious misconception to think that the Dominions might accept

from any other quarter a proposal which they had just refused to take from the Colonial Secretary who had gained so exceptional a hold upon their imagination and esteem. Not that Mr. Chamberlain's unique reputation ever rested upon any of his specific proposals for closer union. He had attracted the Britons oversea by his manifestly sincere and practically active sympathy with the general idea; by his energetic enthusiasm for the peculiarly Colonial business of "development" (in the Crown Colonies); and by his habit of supporting the man on the spot, of which the conspicuous example in South Africa was not the only instance.[1] Ignoring the decisiveness of Mr. Chamberlain's experience, a private committee was formed by Sir Frederick Pollock, the eminent jurist, apparently for the purpose of taking up the scheme of an advisory council where Mr. Chamberlain had left off, and of demonstrating by its success that there was really no need to worry about Preference or quarrel with Free Trade.

Proposed Advisory Council.

Sir Frederick Pollock explained his proposal at the Royal Colonial Institute on April 11, 1905. He was supported, he said, by a large number of eminent men in the Dominions whose names he was not at liberty to give, excepting those of Mr. Parkin and Mr. Reeves. Mr. Haldane also was among his "colleagues," who included Tariff Reformers as well as Free Traders. In its main feature, which was the idea of turning the Conference of Premiers into an advisory council by enlarging its membership with persons other than Cabinet Ministers, the scheme resembled Mr. Chamberlain's abortive suggestion, and was liable to encounter the same difficulties. The

[1] *Cf.* Sir Charles Bruce, *The Broad Stone of Empire*, passim. He gives also a valuable account of Mr. Chamberlain's work in regard to Tropical Agriculture, Medicine, and the Colonial Nursing Association.

Council, or Committee, which technically might be a committee of the Privy Council, was not to have any legislative or executive powers. Its function would be solely "to deal by way of information and advice" with "matters of Imperial interest not confined to one colony or dependency, and not capable of being disposed of by the action of the Colonial Office or any other single department of State." For example, Sir Frederick Pollock doubted whether any such matter as preferential tariffs could be "even adequately discussed without much better means of consultation than exist at present."[1] A second part of the scheme was the establishment of a secretarial office for the Council; supplemented with an Imperial Commission, primarily for the purpose of supplying the new Imperial Council with information on current problems. Some who deprecated the suggestion that the Conference should be converted into an advisory council thought from the outset that the plan of the secretarial office contained the germ of a useful appendage to the Conference as it stood.

Different from the existing Conference.

Such an advisory council, it was pointed out in criticism,[2] would be essentially different from the Imperial Conference, which apparently it was intended to incorporate, submerge, and supersede. The Conference had become an assemblage of the Governments themselves. Being coextensive and coterminous with those Governments, it could not in any way challenge or encroach upon their authority. It did possess in a sense legislative and executive authority, in so far as its members collectively were the Governments of the whole Empire. The Advisory Council, on the other hand, was to be a separate

[1] The Dominions have established preference without the aid of any Advisory Council.

[2] *Morning Post*, Sept. 30, 1905.

institution, external to the Governments both individually and collectively, and lacking any kind of executive power. Its recommendations would either carry no weight, in which case its existence would be superfluous; or else, if they did carry weight, the institution might easily become embarrassing and objectionable to Governments unwilling to act accordingly. Or, taking a popular rather than a Government standpoint, would there be no danger of the Advisory Council being used as a shield by a weak Government desirous of excusing some disastrous policy or evading some disagreeable duty? A rather unfortunate analogy or precedent was suggested by Sir Frederick Pollock when he cited the Committee of Imperial Defence. For, that Committee was represented by Mr. Balfour, the Prime Minister, as endorsing the view that invasion was impossible. But Lord Roberts, the leading military expert on the Committee, presently followed with a grave statement in the opposite sense; a circumstance which seemed to suggest that the politicians had succeeded in manipulating the Committee on to the line of least political resistance.

The Lyttelton despatch.

Sir Frederick Pollock appears to have obtained the ear of Mr. Chamberlain's successor at the Colonial Office. On the 20th of the same month (April 1905) Mr. Lyttelton addressed a circular despatch to the Governments of the self-governing Colonies. It began with a brief review of the history of the Conference, calling attention, *inter alia*, to Mr. Chamberlain's statement[1] in 1897 that the British Government would gladly participate in a joint inquiry into the question of Preferential Trade. After citing the Resolution of 1902 in favour of quadrennial meetings, Mr. Lyttelton proceeded:

[1] Vol. i. p. 325.

"11. It will be observed that these Conferences have, step by step, assumed a more definite shape and acquired a more continuous status. Their constitution has lost the vagueness which characterised the assembly of 1887. The Conferences now consist of the Prime Ministers of the self-governing Colonies, together with the Secretary of State for the Colonies, assisted, when the subject of the discussion makes this advantageous, by other high officials of the United Kingdom and the Colonies. "Imperial Council" suggested,

"12. Again, the first three[1] Conferences met in connection with the presence of the Colonial representatives in London incidental to important Imperial celebrations. But by the Resolution passed at the last Conference, and already quoted, future meetings will be at prescribed intervals, and will be solely for the transaction of business. It may therefore be said that an Imperial Council for the discussion of matters which concern alike the United Kingdom and the self-governing Colonies has grown into existence by a natural process. In the opinion of His Majesty's Government it might be well to discard the title of 'Colonial Conferences,' which imperfectly expresses the facts, and to speak of these meetings in future as meetings of the 'Imperial Council.' They desire, without pressing it, to make this suggestion for the consideration of the Colonial Governments.

"13. The Secretary of State for the Colonies would represent His Majesty's Government. India, whenever her interests required it, would also be represented. The other members of the Council would be the Prime Ministers of the Colonies represented at the Conference of 1902, or, if any Prime Ministers should be unable to attend, representatives appointed for that purpose by their Governments.

"The permanent body of the Imperial Council would be thus formed, but, as in 1902, their consultations could be assisted, when necessary for

[1] By a curious oversight the session at Ottawa in 1894 has generally been ignored.

special purposes, by other Ministers belonging either to the Imperial or to the Colonial Governments.

"14. Upon those points His Majesty's Government would be glad to have the opinion of the Colonial Governments. It would probably be desirable that the future composition of the Imperial Council should be one of the subjects for discussion at the approaching ordinary Conference to be held in the summer of 1906.

"15. His Majesty's Government doubt whether it would be wise or necessary to give by any instrument to this Council a more formal character, to define more closely its constitution, or to attempt to delimit its functions. The history of Anglo-Saxon institutions, such as Parliament or the Cabinet system, seems to show that an institution may often be wisely left to develop in accordance with circumstances and, as it were, of its own accord, and that it is well not to sacrifice elasticity of power of adaptation to premature definiteness of form. There is every reason for confidence that the meetings of the Imperial Council (if this name prove to be acceptable to the Colonial Governments) will promote unity both in sentiment and action of the States which, together with the Crown Colonies and Dependencies, constitute the British Empire, and it may be said, without exaggeration, that upon this unity the peace and welfare of a large part of the world depend." (Cd. 2785, pp. 3–4.)

with ancillary "Commission."

The Government desired to make a further suggestion to which they attached "considerable importance." It was obvious that the Colonial Premiers, when they came to London for these meetings, could not remain there long owing to their important duties at home. It was desirable, therefore, that subjects which they might agree to discuss should be prepared beforehand by a representative body and be presented to them "in as concise and clear a form and with as much material for forming a judgment as possible." In

questions of defence this work was being done already by the Committee of Imperial Defence, on which the presence "from time to time" of Colonial representatives was desired. The present proposal related, however, to questions "of a civil character." Another advantage in having a permanent body would be that the Imperial Council could at their meetings refer questions for "subsequent examination and report." There was the question of Preferential Trade which had been raised in 1897; and more recent examples might be found in other subjects discussed in 1902, such as shipping laws, mail services, patents, and metric measures. Under existing conditions inquiry into such matters had to be left to the individual enterprise and discretion of the several Governments. The existence of a "permanent Commission" would have "greatly conduced to acceleration of business and to the utility of the work done by the Conference." In regard to various matters it was desirable to "harmonise as far as possible the legislation" of the Empire. One expedient for this purpose had been *ad hoc* conferences; but it had involved much correspondence and loss of time. The despatch proceeded:

> "23. Both in the United Kingdom and in the Colonies, when questions arise in regard to which Governments and Parliaments require more light and knowledge before taking action, it is usual to appoint Royal Commissions or Departmental Committees to inquire into the subject and to suggest solutions. His Majesty's Government desire to submit for consideration the proposal that His Majesty should be advised to appoint a Commission of a more permanent kind to discharge the same functions in regard to questions of joint concern. The Commission would only act upon references made by either the Imperial Council, at their meetings, or, at any time, by His Majesty's Government together with one or more of the Colonial

Governments. Its functions would be of a purely consultative and advisory character, and would not supersede but supplement those of the Colonial Office. The Commission might be constituted at first for a term of years, and then, if it were found to be useful and successful, it could be renewed. The Commission would, it is proposed, consist of a permanent nucleus of members nominated, in a certain proportion, by His Majesty's Government and the Colonial Governments, but there should be power to the Commission to obtain the appointment of additional members, when necessary, for the purpose of making special inquiries. The persons appointed by the several Governments to be permanent members of the Commission would no doubt be men of business or of official experience, and their remuneration would rest with the Governments which they respectively represented.

"24. The Commission should have an office in London, as the most convenient centre, and an adequate secretarial staff, the cost of which His Majesty's Government would be willing to defray. It would probably be convenient that the Secretary of the Commission should also act as Secretary to the Imperial Council when it met. He would be responsible for keeping all records both of the Council and of the Commission.

"25. If His Majesty's Government find that there is sufficient *primâ facie* agreement on the part of the Colonial Governments they will cause a more definite scheme for the constitution of the Commission to be prepared and forwarded to the Colonial Governments for their observations." (Cd. 2785, pp. 4–5.)

Canada unfavourable to Lyttelton proposals.

The response to this despatch need not have been regarded as discouraging but for the fact that Canada, the most important of the Colonial group, and traditionally their leader in the Imperial movement, evinced a profound distrust of the proposals. With the exception of Newfoundland, the other Colonial Governments were generally favourable. The same

division, between British North America and the rest, may be conjectured to have confronted Mr. Chamberlain when he suggested an advisory council to the Conferences over which he presided. But there was a significant contrast between the respective objections of the two dissentient Governments, those of the big Dominion and the little island Colony which together make up British North America.

Tribalism, Nationalism, and Imperialism.

The Canadian Government appeared to be concerned only for the principle of national autonomy. Doubtless they were anxious politically to win back the confidence of their supporters in Quebec, whom they had alienated by consenting to assist in destroying by force the independence of the Boer republics. The sentiment of Quebec, which was still the most solid influence in federal politics, was neither Imperial nor national, but provincial and tribal. To the aggressive racialism of the British or Anglo-Saxons, with their continual flaunting of the "crimson thread" or "blood thicker than water," the French in Canada (like the Dutch in South Africa) very naturally replied by asserting a counter racialism of their own. In so far as the racial sentiment of the French-Canadians and Boers is in each case provincial — segregating the race in Quebec and South Africa respectively instead of embracing, like the Anglo-Saxon variety, all sections of the race in all the continents — it is accurately described as "tribalism" rather than "racialism." At any rate it should not be termed "nationalism," which in modern times has come to denote a territorial rather than a blood patriotism, idealising the "fatherland" of the "native-born," irrespective of tribal varieties in the indigenous population. On the assumption that progress in civilisation implies a gradual subordination of tribal jealousies to a more

enlightened conception of human brotherhood, it seems eminently desirable that the term "nationalism" should be reserved for the territorial and non-racial type of patriotism, and should be denied to those Irish, French-Canadian, Boer, or Balkan politicians who seek to revive its obsolescent sense, which is synonymous with tribalism. Canada continues to illustrate these various aspects of patriotic instinct. Sir Wilfrid Laurier's Government, representing a pan-Canadian territorial nationalism, were confronted on the one hand with the reality of French-Canadian tribalism in Quebec—an instinct which dislikes the self-assertiveness of the federal Dominion hardly less than the idea of closer Imperial union—and, on the other hand, with the bogey of a British-blood Imperialism, which would deliberately sacrifice the Dominion to the Empire, belittling that territorial instinct which has formed the mainspring of modern Canadian development and is indispensable to the success of the effort to create a second nation alongside the United States in North America. This anti-national Imperialism is here described as a bogey because, in truth, it does not exist. Those who apprehensively refer to it would generally name, for example, Colonel G. T. Denison as its typical representative. But any Englishman reading Colonel Denison's book, *The Struggle for Imperial Unity*, cannot fail to be struck by this native-born Canadian's manifestly spontaneous and sincere devotion to the Dominion as the national entity which has the first claim on his devotion, though accompanied with an equally deep conviction that there can be no assured hope of preserving the political integrity of the country or the most cherished ideals of the Canadian people (including the privileges of Quebec) except under the British flag and in a closer union of the Empire.

Sir Wilfrid Laurier's attitude.

Both as a Canadian nationalist, with ideas formed in a period of constitutional emancipation preliminary to constructive work, and as a politician concerned to retain the confidence of tribalist Quebec, Sir Wilfrid Laurier was predisposed to look with suspicion on the Colonial Secretary's suggestions. It is true that Mr. Lyttelton had carefully refrained from actually suggesting any change in the constitution[1] of the Conference. But why should he have said that the name "Conference" "imperfectly expresses the facts?" To many it seemed that "Conference" did perfectly express the facts, and should therefore be retained until the facts were changed. The most essential fact was that the Conference consisted solely of the Governments themselves. Its authority was their collective authority; its functions were limited by their functions. "Council" would not equally express that fact, but would rather imply a body external to the Governments, individually and collectively, even if it comprised Ministers or were restricted to their own nominees. Nor could any observer fail to associate the despatch with the scheme so recently propounded by Sir Frederick Pollock, in which the proposed change of title anticipated the conversion of the Conference into an advisory council, or with Mr. Chamberlain's earlier proposal which contemplated an eventual endowment of the Advisory Council with executive and possibly legislative powers of its own. In Canada the official designation of the Cabinet is "the Committee of the Honourable the Privy Council." Sir Frederick Pollock's suggestion that the new Imperial Council should technically be a committee of the Privy Council might, therefore, have been held at Ottawa

[1] The only appearance of a suggested change was Mr. Lyttelton's allusion to the possibility of India being separately represented instead of through the suzerain Government. But, if this suggestion can be detected, it was probably made inadvertently.

to indicate an intention to develop the Council into a federal Cabinet of the Empire. It is even possible that Mr. Lyttelton's careful insistence upon the advisability of avoiding any formal definition of the proposed council's powers, so as to preserve the opportunity for spontaneous development, may have excited the very apprehensions which it was intended to allay. With these preliminary observations it may be easier to understand how the Canadian Government came to adopt an attitude so different from that of the other nationalist Dominion, the Commonwealth of Australia, where territorial patriotism was undisturbed by any tribalist factor and was strengthened rather than weakened by the British racial instinct. From Ottawa "the Committee of the Honourable the Privy Council" wrote:

The Canadian reply.

> "The Committee at the outset are disposed to consider that any change in the title or status of the Colonial Conference should rather originate with and emanate from that body itself. At the same time, being fully alive to the desire of His Majesty's Government to draw closer the ties uniting the Colonies with each other and with the Motherland, they are prepared to give the proposals referred to their respectful consideration, and having done so, beg leave to offer the following observations:
>
> "Your Excellency's advisers are entirely at one with His Majesty's Government in believing that political institutions 'may often be wisely left to develop in accordance with circumstances and, as it were, of their own accord,' and it is for this reason that they entertain with some doubt the proposal to change the name of the Colonial Conference to that of the Imperial Council, which they apprehend would be interpreted as marking a step distinctly in advance of the position hitherto attained in the discussion of the relations between the Mother Country and the Colonies. As the Committee understand the phrase,

a Conference is a more or less unconventional gathering for informal discussion of public questions, continued, it may be, from time to time, as circumstances external to itself may render expedient, but possessing no faculty or power of binding action. The assembly of Colonial Ministers which met in 1887, 1897, and 1902 appear to the Committee to fulfil these conditions. The term Council, on the other hand, indicates, in the view of your Excellency's Ministers, a more formal assembly, possessing an advisory and deliberative character, and in conjunction with the word 'Imperial,' suggesting a permanent institution which, endowed with a continuous life, might eventually come to be regarded as an encroachment upon the full measure of autonomous legislative and administrative power, now enjoyed by all the self-governing Colonies.

"The Committee, while not wishing to be understood as advocating any such change at the present time, incline to the opinion that the title 'Imperial Conference' might be less open to the objections they have indicated than the designation proposed by His Majesty's Government.

"As regards the second suggestion of His Majesty's Government, the Committee are sensible that such a Commission would greatly facilitate the work of the Conference, and at the same time enhance the dignity and importance of that assembly. They cannot, however, wholly divest themselves of the idea that such a Commission might conceivably interfere with the working of responsible government. While for this reason the Committee would not at present be prepared to adopt the proposal for the appointment of a permanent Commission, they feel that such a proposal emanating from His Majesty's Government should be very fully inquired into, and the Canadian representatives at the next Conference, whenever it may be held, would be ready to join the representatives of the sister Colonies in giving the whole matter their most careful consideration." (Cd. 2785, p. 14.)

Possibly the nervousness apparent in the tone of this despatch was partly a matter of ministerial temperament as well as of political environment. As the coming Conference was to show, the other Premiers were not less determined than Sir Wilfrid Laurier to preserve the essentials of autonomy. But they were too confident in their own power of controlling the situation, as occasion might arise, to feel disposed to "turn down" in advance suggestions which, whatever might be the ulterior idea of those who had put them forward, were in themselves not only innocent but attractive from the standpoint of the existing Conference, denoting an Imperial alliance.

Newfoundland's objection.

The objection of Newfoundland was expressed very differently from that of Canada. It represented the old Colonial attitude, traces of which survive in the larger Dominions, but which is gradually disappearing as they grow into nations, and which can no longer be evinced by their responsible Ministers without arousing protest. Sir Robert Bond wrote in reply to Mr. Lyttelton:

> "Is it to be merely an advisory Council, or a Council with executive functions or legislative powers? In either case it implies a voice in the policy of the Empire, and that privilege would necessarily carry with it corresponding responsibilities and obligations to be assumed by the Colonies represented in that Council. Such being the case, while all the Colonies will doubtless be at one in respect to the wisdom and correctness of the principle, and would doubtless desire to aid in its adoption, there are some struggling communities—and this Colony is one of them—whose revenues are required for public benefit, and for increasing the capabilities of the country in which we live; and any direct contribution towards Imperial defence, or any trade preference, would be practically impossible. If an Imperial Council were

established, as Mr. Chamberlain pointed out in his opening address to the Colonial Conference in 1902, these are the two subjects which would immediately call for its attention." (*Ibid.*, pp. 10–11.)

Sir Robert Bond's American policy.

Accordingly the Newfoundland Government were in favour of maintaining the Conference on the old lines. But, as in the case of Canada, some knowledge of the contemporary local conditions is necessary to an understanding of the ministerial attitude. Though Sir Robert Bond appears in his despatch to exclude measures of defence from the category of "public benefit," he had in fact assented, at the Conference of 1902, to a scheme for enabling the hardy fishermen of the Colony to enrol and receive training in the Royal Naval Reserve, partly at the expense of Colonial funds. It seems probable that the apprehension he expressed in regard to "responsibilities and obligations" had closer reference to "trade preference" than to defence. For, at that moment he was busy planning a fishery campaign against the United States, in hopes of forcing the American Senate to revive and ratify a trade convention, negotiated by himself with the late Mr. Hay, under which the Colony, in return for free admission of its fish into the American market, would remove the import duties on certain American manufactures and would pledge itself not to give preference to any country other than the United States.[1] To Newfoundland, until Mr. Chamberlain went to the Colonial

1 Article IV. of the Hay-Bond Convention (Nov. 1902) enumerated a number of articles which were to be free of duty in Newfoundland when imported from the United States. The list included agricultural implements, cranes, crushing mills and mining machinery, brick machines, explosives, cotton yarn, sundry oils, hemp and jute, Indian corn, cattle-feeding cakes, fertilisers, fishing lines and twines, patent gas engines, engravers' and printers' appliances and supplies, salt for fisheries. Maximum rates of duty were also specified in regard to the following, when imported from the United States: flour, pork, bacon and hams, beef, Indian meal, peas, oatmeal, rice, kerosene

Office, the Imperial tie had meant nothing but continual neglect and economic starvation. The French and Americans had in turn been allowed to assert preposterous treaty rights, preventing the Colony from making the best of its limited resources. Small wonder, then, if its Government had at length set their heart upon access, at all costs, to the American market; without caring to consider what might be the political tendency of the fiscal bondage on which Washington insisted, but which hitherto had proved insufficient to placate the Senate.

Sir Frederick Pollock in Canada.

With the episode of the Lyttelton despatch the campaign in behalf of an Imperial advisory council came to an end. Between the issue of the despatch in April and the publication of the correspondence in November (1905) Sir Frederick Pollock visited Canada in the interests of his committee's scheme. Probably he returned with a fuller appreciation of the difficulties which had been encountered by Mr. Chamberlain, and which had ultimately convinced that statesman that the policy of Imperial Reciprocity was in practice the only alternative to drifting apart. Even among strenuous Imperialists in Canada the advisory-council scheme was received with scant favour. It was suspected by them of being an attempt to "side-track" the trade policy which they had long since come to regard as the essential basis of closer union.

Further efforts of his committee.

Nevertheless Sir Frederick Pollock and his friends

oil. Article V. read: "It is understood that if any reduction is made by the Colony of Newfoundland at any time during the term of this Convention, in any rate of duty upon the articles named in Article IV. of this Convention, coming from any other country, the said reduction shall apply to the United States, and that *no heavier duties shall be imposed on articles coming from the United States than is imposed on such articles coming from elsewhere.*" (Cd. 3262, Newfoundland Fisheries, p. 52.) It will be observed that by these clauses the possibility of giving preference to Britain or Canada was greatly curtailed, if not entirely precluded, the category "articles coming from the United States" not being specifically restricted to articles specified in the foregoing lists.

persevered in the attempt to devise a more effective system of Imperial organisation than was supplied by the primitive Conference. After the publication of the Lyttelton correspondence, and before the next session of the Conference, several manifestoes appeared. Among the signatories were Lord Milner, Lord Tennyson, Mr. W. P. Reeves, Mr. J. G. Colmer, and Mr. B. R. Wise. As usually happens in such cases, the documents bore traces of an attempt to find verbal forms capable of being subscribed by men of widely divergent opinions; with a consequent appearance of ambiguity in the proposals themselves. But the general tendency obviously was to drop the advisory council and to concentrate on the problem of how to endow the Conference in its existing form with some kind of "continuity," so as to render its work more effective. Out of the original idea of an "intelligence office," and of Mr. Lyttelton's cognate "Commission," emerged the conception of creating a "secretariat" for the Conference, the staff to be nominated by the several Governments. Public discussion ensued mainly on the question of whether the Secretariat should be under the direction of a Minister of the United Kingdom; or should be on the model of the Conference itself, in the sense of acting only on the instructions of the Governments collectively, each of which would have a representative responsible to it alone. The question of principle at stake was whether or not there should be an equality of status of all the Governments composing the Conference, superseding the old principle of subordinating the Colonial Governments to that of Britain. Those who had faith in the idea of Imperial alliance desired equality of status as its logical expression. Those, on the other hand, who feared that alliance might only be an euphemism for separation were not eager to give that principle a

The "Secretariat" proposal.

wider recognition than might practically be necessary. Much was to be heard of this question when the Conference met. In the meantime Sir Frederick Pollock's labours had already achieved valuable results. They not only had vindicated, by their partial failure, the soundness of Mr. Chamberlain's conclusion that Imperial Reciprocity should come first, but had also succeeded to the extent of directing attention to deficiencies in the organisation of the Conference which admitted of being remedied without impairing its essential character. At the same time the work of this committee had the effect of emphasising the divergence between two schools of Imperialists; the one laying stress on machinery and formal bonds of union; the other insisting on the greater importance of "doing things together" (as Lord Milner phrases it[1]), in the belief that the actual process of unorganised co-operation in such matters as Preferential Trade would not only create a motive now lacking for contrivances of political union, but would indicate, by the experience of practical needs, the most appropriate methods.

Conference postponed to 1907.

At the end of November 1905, Mr. Lyttelton was unfortunately obliged to issue another circular despatch, proposing to "take advantage of the latitude allowed by the terms of the Resolution" of 1902 and postpone the Conference to 1907. It had transpired that the Prime Ministers of Australia and New Zealand would be unable to attend in 1906 later than the spring, which would not suit the other Governments. In June of that year the Commonwealth Parliament would be sitting, with the prospect of a general election immediately afterwards; while political affairs in New Zealand would require that her representative should leave London not later than

[1] At Toronto, Oct. 27, 1908.

the beginning of May. At this stage in the negotiations the resignation of the Balfour Government, followed by the sweeping electoral victory of the Liberals, under Sir Henry Campbell-Bannerman, broke off Mr. Lyttelton's ministerial career. He was succeeded at the Colonial Office by the Earl of Elgin, a weak and unimaginative administrator. Replies assenting to the postponement of the Conference having been received from all the Colonial Governments, the new Colonial Secretary addressed them in a despatch (February 22, 1906) proposing that the session should be held in March 1907, and requesting them (as in 1902) to send him, not later than September 1st, statements as to any subjects for discussion or any resolutions they might desire to submit to the Conference. At the same time he proposed to acquaint them "in due course" with the subjects the British Government might wish to bring forward.

Lord Elgin Colonial Secretary.

There is an interesting and possibly not accidental contrast between the concluding paragraphs of the last despatch addressed to the Colonial Governments by the Unionist Secretary of State respecting the coming Conference, and the first addressed to them by his Liberal successor:

"*Mr. Lyttelton*—They (H.M. Government) confidently hope that, following upon the lines of previous Conferences, the next Conference will, in this (the matter lately discussed) and in other no less important ways, promote the *better union and the collective prosperity* of the British Empire." (Cd. 3406, p. 15.)

"*Lord Elgin*—His Majesty's Government feel every confidence that the next Conference, like those which have preceded it, will help to increase the *good understanding and cordial feeling* which exist between the Governments of the various self-governing communities of the Empire." (Cd. 2975, p. 4.)

An important change had indeed taken place in Downing Street. The department of the Colonial Office was being relegated to the secondary position

Attitude of new Liberal Government.

which it had occupied before Mr. Chamberlain took it over. The portfolio was again to be one with which any one might be entrusted as long as he could be relied upon not to try to do things. With all their blundering the Unionists had been sincerely desirous of promoting a closer union of the Empire, believing that policy to be necessary to the future safety and welfare of the nation. But the Liberals came into office with a different creed, which was equally real to the majority of the party. Repudiating the theory that the peace and progress of the world depend on an international balance of fighting power, arising out of a perpetual conflict of national interests or aims, they intended to vindicate once for all the old Liberal policy of "retrenchment and reform" by arranging at least a cessation of competition in armaments if not an immediate commencement of disarmament. In their view this policy was a desirable alternative to that of closer Imperial union. It would equally secure the independence of the British Islands but without antagonising any other country either commercially or by increase of armaments, and without demanding any sacrifice from the democracy in either money or enjoyment. On the contrary, the economy to be effected by disarmament would set free an enormous revenue for lightening the burdens which Free Trade had imposed by direct taxation on the rich, and for distributing doles to the poor under any crude scheme to which the label "social reform" could plausibly be attached. A reign of phrase-makers had begun; gushing protestations of what Mr. Seddon used to call "humanity" disguising a lack of inclination for the ever tedious work of constructive statesmanship. The anti-Imperialist phase of the new regime may be said to have continued intact only until the ludicrous fiasco

of the disarmament overtures to Germany started the process of reluctant disillusionment.[1] By the spring of 1909 it had proceeded so far that the spectacle was witnessed of the Liberal Government summoning a Defence conference of the Empire, signifying acceptance of the formerly derided Imperialist idea. For the time being, however, cosmopolitanism reigned supreme in Downing Street. Lord Elgin announced in this first despatch that he did not feel himself "called upon to adopt the recommendation" of his predecessor's proposals regarding the future organisation of the Conference. At the same time he thought it desirable, in view of the expressions of opinion already received from the Colonial Governments, "that the scheme should be freely discussed when the Conference meets." But the general attitude of the new Government, as tacitly intimated by the new Secretary of State, was that they desired only to be left alone, and not harassed with profane attacks upon the sanctity of Free Trade, or the disturbing creed of making the Empire strong enough to hold its own. As indicating how the change of Government was received overseas, it may be mentioned that Mr. Seddon cabled an inquiry as to whether fiscal proposals would be admitted for discussion. The reply was affirmative.[2]

Invitation to submit subjects.

In response to Lord Elgin's invitation a large number of advance resolutions were received from Australia, New Zealand, and Cape Colony. All of those Governments happened to be under Imperialist direction. Mr. Deakin, who had been present at the birth of the Conference in 1887, and had more recently assisted by his liberal ideas and eloquence

[1] Unfortunately it has become necessary to correct this too sanguine deduction, in a postscript to the Introduction of the present work.

[2] Cd. 2975, p. 4.

the birth of the Commonwealth, was now at the head of the Australian Government, though lacking an independent majority. In New Zealand Sir Joseph Ward carried on Mr. Seddon's Imperialist tradition with a quiet sincerity. Dr. Jameson was presiding over Cape Colony, though the pendulum was plainly swinging back to the allies of the Afrikander parties into whose hands the imposition of responsible government was about to restore the Transvaal and the Orange River Colony. Of the fourteen resolutions sent in by the Australian Commonwealth the following have acquired sufficient importance to be cited in full:

The Australian resolutions.

I. Imperial Council

"That it is desirable to establish an Imperial Council, to consist of representatives of Great Britain and the self-governing Colonies, chosen *ex officio* from their existing administrations.

"That the objects of such Council shall be to discuss at regular Conferences matters of common Imperial interest, and to establish a system by which members of the Council shall be kept informed during the periods between the Conferences in regard to matters which have been or may be subjects for discussion.

"That there shall be a permanent secretarial staff charged with the duty of obtaining information for the use of the Council, of attending to the execution of its resolutions, and of conducting correspondence on matters relating to its affairs.

"That the expenses of such a staff shall be borne by the countries represented on the Council in proportion to their populations."

II. Preferential Trade and International Relations

"That the following resolutions which were adopted by the Conference of 1902 be re-affirmed:

"1. That this Conference recognises that the principle of preferential trade between the United Kingdom

and His Majesty's dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would, by promoting the development of the resources and industries of the several parts, strengthen the Empire.

"2. That this Conference recognises that, in the present circumstances of the Colonies, it is not practicable to adopt a general system of Free Trade as between the Mother Country and the British Dominions beyond the seas.

"3. That with a view, however, to promoting the increase of trade within the Empire, it is desirable that those Colonies which have not already adopted such a policy should, as far as their circumstances permit, give substantial preferential treatment to the products and manufactures of the United Kingdom."

That the following resolutions be added:

"That it is desirable that the preferential treatment accorded by the Colonies to the products and manufactures of the United Kingdom be also granted to the products and manufactures of other self-governing Colonies.

"That it is desirable that the United Kingdom grant preferential treatment to the products and manufactures of the Colonies."[1]

IV. Imperial Defence

"That the provisions of the Naval Defence Agreement, 1902, be reconsidered. . . ."

VI. Organisation of Colonial Office

"That the Secretary of State for the Colonies be invited to frame a scheme which will create opportunities for members of the permanent staff of the Colonial Office to acquire more intimate knowledge of the circumstances and conditions of the Colonies with whose business they

[1] This differs from the 4th section of the resolution of 1902 in not specifying the manner in which the preferential treatment should be granted by the United Kingdom.

have to deal, whether by appointments, temporary interchanges, or periodical visits of officers, or similar means." (Cd. 3337, pp. 6–7.)

The fourth resolution further affirmed the desirability of having Colonial representatives on the Committee of Imperial Defence and of giving Colonial Governments a right of access thereto for advice. In point of fact the Canadian Minister of Defence, Sir Frederick Borden, had already been invited to sit on it, probably in order to discuss the proposals which the Dominion Government had put forward in substitution of those prepared by the War Office and Admiralty in 1902.[1] The other Australian resolutions were in favour of re-affirming the resolution passed in 1902 about Merchant Shipping and Coastwise Trade, and of asking the British Government to secure the revision of any commercial treaties hampering Preference; reducing the stamp charges in Britain on Colonial bonds; strengthening British interests in the Pacific in view of the "probable" completion of the Panama Canal; diverting British emigration from foreign to British countries, through co-operation between the British and Colonial Governments; appointing a Royal Commission to consider the question of establishing decimal coinage throughout the Empire; considering again the resolution of 1902 about the adoption of the metrical system of weights and measures, with a view to uniform action; standardising the Patent laws throughout the Empire and arranging that a patent taken out in any country should be valid in the others; and investigating the possibility of making the effect of commercial treaties uniform throughout the Empire.

The ten resolutions from New Zealand were in

[1] Cf. *infra*, Ch. XII.

favour of "an Imperial Council" to which each "self-governing" Colony would send "a representative"; preference for British manufactures carried in British bottoms, and remission of the British import duties on Colonial products then taxed; reciprocal admission of barristers, and land surveyors, to practice; an Imperial naturalisation law, subject to the right of any self-governing Colony to impose special conditions; the right of New Zealand and Australia to be consulted in regard to any proposed treaty affecting the Pacific Islands; uniform usage and less restrictive rules in regard to the reservation of Bills for the Royal Assent; removal of all doubts, arising from foreign treaties, as to the right of the self-governing Colonies "to make reciprocal and preferential fiscal arrangements with each other and with the United Kingdom"; and international Penny Postage. As to Defence, the Colony took the opposite line to the Commonwealth, proposing that the question should be considered of an "increased contribution" by the two Governments to the Australian squadron. New Zealand's resolutions.

With the memory of the war still fresh Cape Colony led off with a resolution much on the lines of the War Office proposal which the Cape representatives had approved in 1902, subject to the proviso that a condition of any such arrangement would have to be some representation of the Colonies on "an Imperial Council." Another proposal, partly duplicating Mr. Deakin's, was that the Preference resolutions of 1902 should be re-affirmed. Further, it was to be impressed upon the British Government that the maintenance of the British Preference in the Colonial tariffs was "largely dependent upon the granting of some reciprocal privileges to British Colonies." The caution thus conveyed may be attributed to the circumstance that the South African Party, practi- Cape Colony's resolutions.

cally the Bond, who were then in Opposition, had been attacking the preference already established in the tariff of the Customs Union (which preceded political union by several years). It may be noted that this has been the only instance of an avowedly protectionist party not being willing that National Protection should be modified by Imperial Preference. Further resolutions from Cape Colony suggested the abolition of double income-tax (where company profits are taxed in both the Colony and Britain); the advantage of having alternative routes for cables and controlling expense by means of the "standard revenue" device;[1] simplification and uniformity of procedure in regard to Privy Council appeals; uniformity in regard to merchandise marks and patents. The Colony was directly interested in the Royal Commission then sitting to inquire about shipping rebates, and suggested that its scope should be enlarged so as to cover the questions of controlling combines, subsidising lines affected by foreign subsidies, and limiting British trade to British bottoms.

The Canadian response.

No resolutions were forthcoming from Natal, Newfoundland, or Canada. The Dominion, nevertheless, occupies some space in the published correspondence. The Canadian Government continued to display more interest in the conditions under which the Conference would meet than in the question of business to be transacted. Replying in July 1906 to the Colonial Secretary's despatch fixing April 15th as the date of meeting in the following year, Sir Wilfrid Laurier objected that Parliament might not have risen at Ottawa by that date (a permanent change having lately been made in regard to the period of the legislative session), and suggested that the Conference should be postponed for a month. He would not press

[1] *i.e.* the system already in force in South Africa. Cf. *supra*, vol. i. p. 256.

the suggestion against the convenience of the other Governments; but he intimated that adherence to the original date might prevent the attendance of Canadian representatives. He desired, further, to call the attention of the Colonial Secretary to the form in which the invitation for these Conferences had hitherto been made to the Governments concerned:

Question of additional Ministers.

"Such invitation has been extended to the Prime Ministers only. Experience has shown that, having regard to the wide range of subjects which are considered at the Conference, the Prime Ministers of the larger Colonies are unwilling to assume the responsibility of dealing with such questions without the assistance of some of their colleagues. Practically, therefore, the Conference becomes not one of Prime Ministers, but one of Ministers representing the various Colonial Governments. If it be deemed expedient, for the reasons above stated, that Ministers other than the Prime Minister of any Colony should be present, it seems to be desirable that their position in the Conference should be recognised, and that they should be included in the invitation extended by His Majesty's Government. The Prime Minister, therefore, suggests that the object of His Majesty's Government in calling the Conference would be better attained if the Conference were declared to be a Conference of Ministers, and the invitation expressed in such form as would admit of the attendance of any Ministers who might be accredited by any of the Governments concerned.

"The Prime Minister, in representing these suggestions for the consideration of His Majesty's Government, does not desire that the larger Colonies which might send a number of representatives should, on that account, be placed in any advantageous position as regards voting in the Conference. The practice of past Conferences has been that whenever a difference arises each Colony is entitled to one vote, and the Canadian Government would not ask for any change in that respect." (Cd. 3340, p. 4.)

Convenient date a difficulty.

One of the permanent difficulties attending Imperial organisation is, as has been seen already, that of fixing a time for the Conference convenient to the six Parliaments concerned; but the seriousness of it must vary inversely with the degree of importance assigned to the Imperial cause. The difficulty tends to increase rather than diminish now that "subsidiary Conferences" have become a recognised and frequent practice. For example, the Subsidiary Conference on Defence in 1909 occurred very inconveniently for the Australasian Parliaments; so much so that the Commonwealth had to send a non-Minister representative.[1] In New Zealand Sir Joseph Ward, who was Defence Minister as well as Premier, got away only after some friction with his Parliament.

Additional Ministers: Lord Elgin's view.

Replying to the Canadian minute, Lord Elgin regretted that he could not see his way to changing the proposed date, which had been decided "after much correspondence and negotiation" as the most suitable to all parties. In regard to Sir Wilfrid Laurier's second point the Colonial Secretary proceeded:

> "I think that in the case of the larger Colonies there is a distinct advantage in securing the attenddance *on special occasions* of other Ministers in addition to the Prime Minister, notably the Minister of Defence or the Minister in charge of commercial affairs. This arrangement was in fact made at the Conference of 1902, and *on the same principle other Ministers of the Imperial Government* beside the Secretary of State for the Colonies have been present at meetings of past Conferences when matters affecting their Departments were under consideration." (Cd. 3340, p. 5, *without the italics.*)

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[1] The constitution of Subsidiary Conferences, unlike that of the Imperial Conference itself, does not restrict the representation to Ministers.

He added that it did not "appear to be necessary to make any alteration in the general constitution of the Conference." But the Canadian Government were not satisfied with the Colonial Secretary's intimation that the additional Ministers might attend the Conference only when their special subjects came up. That arrangement did not "meet the point raised":

> "The Secretary of State for the Colonies refers to the arrangements respecting the attendance of such Ministers at the Conference of 1902, and assumes that they were unobjectionable. The Committee have to remark that, although it was not deemed necessary at the time to place on record any formal protest against them, the arrangements in question were far from satisfactory. The Colonial Ministers other than Prime Ministers were received only by the courtesy of the Conference, and not without objection having been taken to what was regarded by some as a departure from the basis on which the Conference had been organised. It seems desirable, therefore, that, for the avoidance of misunderstanding hereafter, the position of such Ministers should be properly defined in advance. On sufferance or by right?
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> "Provision for the occasional attendance for the consideration of special subjects would be reasonable in the case of officials of the permanent service, whose knowledge and experience might be useful to the Conference in the particular matter under discussion. Several of the higher officers of the Imperial service attended in this way at the Conference of 1902. The Committee submit, however, that such restrictions are inapplicable to the case of responsible Ministers of the Crown who will be called far away from their home duties to participate in the deliberations of the Conference. If the objects of the Conference will be advanced by the presence of such Ministers, they should only be expected to attend with a recognised status which will be consistent with their position as responsible Ministers in their respective Colonies." (*Ibid.*, p. 11.)

Conference to settle its own constitution.

Lord Elgin, however, after full consideration, could not accede to the Canadian suggestion. It seemed to him to raise difficulties which could be only satisfactorily settled "by discussion at the Conference itself." It would "involve a change in the constitution of the Conference," because the forthcoming meeting was being convened in accordance with the Resolution of 1902 which had specified Conferences "between the Secretary of State and the Prime Ministers of the self-governing Colonies." In dealing with certain Australian demands—which will be noticed presently—the British Government had held that "the Conference itself must consider and determine whether changes are to be made." He continued:

> "I need hardly say that nothing derogatory to the position of Colonial Ministers (other than Prime Ministers) was implied at the last Conference, or would be implied at any future one, by the fact that they only participate in discussions on subjects with which they are specially concerned. The representatives of the India Office and other departments of His Majesty's Government attend on a similar footing. But the arrangement was one which the Conference treated as essentially a matter which it was competent to decide, and the Secretary of State, as Chairman, ruled that an alteration could not be made unless there was a unanimous feeling in its favour. . . . The proposals of your Ministers might well raise questions on such important points as the effect on duration of debates, or of the sittings of the Conference, by a material increase in its members—and the relative advantage to be derived by Colonies within easy reach of this country and those which are more distant." (*Ibid.*, p. 13.)

But while holding that the British Government could not of their own motion, or by correspondence with the Colonies, introduce changes of this kind, Lord Elgin reminded the Canadian Government that he had

already called attention to the question of the future constitution of the Conference, which he thought it would be very desirable to discuss at the meeting. With this, apparently, the Canadian Government had to be content for the present. No further correspondence has been published.

Claim of Australian State Premiers.

The correspondence with Canada spread leisurely over the summer and autumn of 1906. Meanwhile the Colonial Secretary was being bombarded with a demand from the State Premiers in Australia that they should be admitted, alongside the federal Premier, to the Imperial Conference. Their leader was Mr. (afterwards Sir Joseph) Carruthers, then Premier of New South Wales. The motive of the movement was concisely expressed in the heading of a circular which he addressed to his "brother" Premiers—"Subject: 'Encroachments upon State Rights by the Government of the Commonwealth.'"[1] Mr. Carruthers had already made his mark as the champion of an anti-federal provincialism which appears to have become so obnoxious to the people of Australia that they tolerated almost with apathy the introduction by a Labour Government some years later of proposals which were described by Mr. Deakin[2] as tantamount to wiping out the States and shifting the Commonwealth from its federal to an unitary basis. The claim of the State Premiers, all of whom were drawn into the intrigue, was based on the theory that the residue of sovereignty which the Commonwealth Act had left to the States entitled them to communicate directly with the Imperial Government, and, on the same principle, to be invited to the Imperial Conference. Further arguments were that the Conference might desire to discuss certain matters, such as education or land settlement, in respect of which the States retained

[1] Cd. 3340, p. 19. [2] Parliamentary Debates, Oct. and Nov. 1910.

exclusive authority within their own territories; and that it was necessary to the liberal education of State Ministers that they should be brought into the Imperial Conference. The very basis of the federation itself, which rests on the direct election by practically universal suffrage of a national legislative assembly, was challenged with the argument that in regard to the major subjects assigned to the Commonwealth exclusively (such as Customs and Defence) the federal Government was only a kind of joint agency of the State Governments. When Lord Elgin replied that it must be for the Conference itself, constituted as in 1902, to consider and decide any such change, Mr. Carruthers warned him with all the emphasis of italics that:

> "*The action of the Imperial Government is tending to force the States more and more to regard less the ties and connections with the Mother Land and more the bonds of Federation.*" (Cd. 3340, p. 14.)

Unfortunately for the campaign of the State Premiers there was no longer in Britain any party whose Imperialism followed the maxim *divide et impera.* The rising generation were rapidly forgetting the existence of the States. For them Australia and the Commonwealth had become interchangeable terms. From the British point of view there could be no Imperial danger in any tendency, however arising, for the Australian people to regard less the traditions of the old Colonial era and more the bonds of a federation whose Government were conspicuously trying to direct the energy of Australian nationalism into the movement towards closer union of the Empire.

Federal Government's criticism.

In a couple of masterly dispatches Mr. Deakin, the federal Premier, pulverised the contentions of the State Premiers as to the constitutional position.

The Commonwealth, he pointed out, derived its authority just as directly from the people as the State Governments derived theirs. Nearly all the subjects hitherto discussed or likely to be discussed at the Imperial Conference were subjects now within the sphere of the Commonwealth exclusively. As to other matters, it was open to the State Governments to consult the Imperial Government at any time through their Agents-General in London. In his first dispatch (October 31, 1906) he ridiculed the idea that the people of Australia would be aggrieved by the non-admittance of the State Premiers; and in the second (December 22, 1906) he was able to state that a general election had just taken place in which there had been no sign of any popular interest in the question. Thus backed, Lord Elgin had no difficulty in maintaining his refusal.

The Imperial view.

From the point of view of the Imperial Conference it is impossible to defend Mr. Carruthers' proposal. The resolution of 1897, recommending that Colonies geographically united should be federated, was passed by the Conference in the interests of its own efficiency. It had been specially aimed at Australia, owing to the exasperating experience of the Pacific cable project, which was delayed for years, and ultimately nearly destroyed through the inability of the six Australian Colonies to maintain any concert. Imperially, the whole object of local federation was to eliminate the interprovincial jealousy which had so disastrously impeded the work of the Conference; whereas the purpose of Mr. Carruthers' proposal was to restore and perpetuate it, with the additional aggravation that Australia would be seven instead of six. The policy of the Conference itself had been to substitute unified nation-States for discordant Provinces as the units

of Imperial organisation, so as to render the meetings more wieldy in size and more harmonious in spirit. There has been the further and decisive advantage that by basing the Conference on national unities, rather than on the various sections composing each of them, the dominant patriotism of the time has been enlisted on the side of the Imperial movement.

The Conference Mr. Chamberlain's handiwork.

In sheltering himself behind the precise terms of the 1902 resolution Lord Elgin was not only avoiding responsibility in connection with a matter to which his Government were then quite indifferent, but was taking up an impregnably correct position. To resist the Canadian as well as the Australian State proposals he had, in fact, taken the same ground as the Canadian Ministers themselves in their reply to Mr. Lyttelton's suggestions, when they asserted the right of the Conference to govern itself. In retrospect the main interest of this *interim* correspondence is that it exhibits the Conference, hitherto a fluid experiment, rapidly crystallising into the recognised governing body of the Empire. The 1902 resolution, affirming the principle of quadrennial meetings on the same basis as on that occasion, is now seen to have been decisive in endowing the Conference with a self-consciousness which it had hitherto lacked, and in gaining for it officially and publicly a definite recognition. Henceforth it was to develop British-wise, from precedent to precedent. To Mr. Chamberlain, therefore, who had enjoyed and exercised a free hand [1] in regard to the composition of the meetings in 1897 and in 1902, fell the privilege of founding, on his own pattern, the modern con-

[1] The text of the 1897 resolution in favour of "periodical" Conferences did not, like the resolution of 1902, define the composition of the Conference in precise terms.

stitution of the British Empire. Whatever may have been his idea of the Conference when he restricted the invitation to Colonial Premiers, he is now seen to have stereotyped it by that act as a Conference of the fully autonomous Governments of the Empire. Wittingly or unwittingly, he had excluded the separate representation of India or any Crown Colonies; and had impeded reversion to the original plan of the Conference as a kind of Imperial Areopagus, which some have been inclined to revive. But he had not impeded the extension of the Conference so as to include other Ministers in addition to the Secretary of State and the Colonial Premiers, which was sanctioned by the British theory of the corporate responsibility of Cabinets.

Lord Elgin's agenda list.

Lord Elgin proceeded to frame the agenda, explaining the principles on which he was doing it in a circular dispatch (January 4th, 1907). The subjects submitted in advance were, he remarked, "at least equal in number and importance" to those brought up in 1902. Having regard to the example of the last session, he thought that there might be three sittings a week, and that the session might last from three weeks to a month. He reminded the Colonial Governments that he himself had suggested for discussion certain subjects: the Constitution of the Conference, Emigration to the Colonies, Naturalisation, and the method of ordering ammunition from the United Kingdom. It was probable that the Army Council and the Lords Commissioners of the Admiralty might also desire to bring forward certain other matters. But these would come under the general head of Defence; and he thought it would be best to give precedence to the subjects suggested by the Colonies themselves. As to the method of arranging the agenda list:—

> "I have thought it right to place first among the subjects suggested by the Colonies those put forward by all the three Colonies which have made suggestions, then to consider those suggested by more than one, and then those suggested by one Colony only. This principle must, of course, be followed with due regard to the intrinsic importance of the subjects themselves, and to the probability of arriving at definite results by discussion."

After giving an analysis of the subjects proposed by the three Colonies, he proceeded:

> "These subjects vary materially in importance, and also in respect to the possibility of useful discussion, having regard to the state of public opinion in the United Kingdom. For example, the question of reciprocity in professions is complicated by technical considerations, and it is doubtful whether discussion could at present result in anything further than an academic resolution. The question of a uniform system of patents has formed the subject of much correspondence since the Conference of 1902, and so far it has been found impossible to overcome the difficulties in the way. Similarly, His Majesty's Government think that public opinion in this country is not ripe for the adoption of the metric system. . . .
>
> "I propose, therefore, that the agenda of the Conference should be framed on the following lines. The nucleus of the subjects will be: Constitution of Future Conferences, Preferential Trade, Defence, Naturalisation, Emigration. Next in order will come judicial appeals, reservation of bills, extension of British interests in the Pacific. Finally, and if time allows, discussion might proceed with regard to uniformity of patents and merchandise marks legislation, reciprocity in professions, metric system." (Cd. 3337, pp. 4–6.)

He suggested that separate discussions might be held at the Treasury with regard to the questions

of decimal currency, profit on silver coinage, stamp charges on Colonial bonds, and double income-tax.

A recurring Conference, properly equipped, would expect to be furnished at the beginning of each session with a statement showing what had been done since the last session to give effect to the conclusions then reached. But the Imperial Conference was still an embryo organisation, lacking, as Mr. Lyttelton had pointed out, the equipment necessary for this elementary condition of efficiency. Apart from Lord Elgin's allusion to voluminous correspondence on the subject of Patents—in accordance with the express request conveyed by resolution in 1902—there is nothing in the official documents to indicate that the Colonial Office, which technically was responsible for the Conference, had paid any further attention to the other resolutions or thought it necessary to present any statement about developments during the recess. But a good deal had, in fact, happened. The situation in South Africa, after the war, had presented a notable opportunity for considering how effect could best be given to the resolution of 1897 which recommended that Colonies geographically united should if possible be federated. That resolution was one of the earliest among what may be called the "capital" resolutions of the Conference, *i.e.* those which lay down fundamental principles for the constitution or policy of the Imperial partnership, as distinguished from those which are either subsidiary or deal with transient circumstances. But there is nothing to show that the question of the reconstruction in South Africa was ever considered with reference to the capital resolution of the Imperial Conference. Though Sir Wilfrid Laurier, politically harassed by the mutinous tendency in Quebec, would probably have treated the suggestion as he had already treated the minor

Past resolutions not followed up.

"Capital" resolutions.

Opportunity lost in South Africa.

question about the status of professional men,[1] there can be little doubt that the other Colonial Governments would have appreciated a decision of the British Government not to take any irrevocable step, such as the proposed "Lyttelton constitution," until the Conference had met again.[2] A decision to that effect would at least have averted the friction with the Australasian Governments that arose when the introduction of Chinese labour was sanctioned without reference to them, despite the part they had taken in the war. It is possible, also, that the result might have been to bring about the national union of South Africa, under a constitution drafted by practically the same men who were eventually employed in the task, without the *interim* and unnecessary creation of fully equipped responsible governments, which was attended with injustice and bitterness. But neither the Unionist Government, though union was always their avowed goal, nor their Liberal successors, who hitherto had idealised the pre-war condition of separate little States, seem ever to have thought of consulting their recent allies in war on the question of how the declared policy of the Imperial Conference should be applied in the South African case.

The corn duty abolished, 1903.

The resolution on Preferential Trade was another of the "capital" order, and supremely important, as it affirmed a policy expressing the vital principle of organic union. The United Kingdom had been the first to take action thereon, but in a deplorably negative sense. In 1902 the country was for the moment in the same favourable position as all the

[1] See vol. i. p. 372.

[2] The Conservative proposal to grant "representative" government was made in 1905. A demand that Canada should be consulted in connection with the constitution which, it was then being rumoured, the Liberals were about to give to the Transvaal, was made editorially by the Toronto *Mail and Empire* of July 21, 1906. *Cf.* Lord Milner, at Manchester, Dec. 14, 1906.

other self-governing States and most of the Crown Colonies for effecting Imperial Preference. The tariff instituted for domestic purposes lent itself to modification for the Imperial purpose without detriment to its primary national function. Besides the traditional import duties on certain tropical products which would be a basis for preference to the Crown Colonies, India, and South Africa, the trifling duty on corn and flour afforded a perfect opportunity for giving preference to Canada, Australia, and New Zealand. The corn duty was in intention and effect a purely revenue duty, yielding about 2½ millions sterling without hardship to a single soul in the country, with the possible exception of temporarily taxing the millers or bakers until the incidence of the duty had time to settle on the oversea grain-growers. Had the revenue been indispensable it might easily have been safeguarded for some years by the simple expedient of raising the duty on foreign produce sufficiently to compensate the loss of revenue from Colonial produce. But the only effect of the capital resolution of 1902 on the policy of Britain was to persuade the most short-sighted of modern Governments that the revenue was not indispensable, and that it would be better to abolish the duty altogether than to make it an agency of Imperial union. To posterity, out of touch with the party politics of that time, the decision must always appear as an almost incredible feat of fiscal bigotry.

Imperial Preference in the Dominions.

After such a slap in the face from the professedly Imperialist party in Britain, the other members of the Conference could hardly have been expected to pay further heed to those sections of the capital resolution which it was for them to fulfil. That they nevertheless went on with the policy is a striking testimony to their universal conviction, arising from instinct rather than any theory of statecraft, that

herein lay the key to consolidation of the Empire. New Zealand and the South African Customs Union lost no time in giving effect to their obligations under the resolution of 1902.[1] Both accorded an instalment of preference to Britain in the course of 1903. In 1906 the South African Customs Union revised its arrangements, and took the opportunity to arrange reciprocal preference with New Zealand and Australia. In Australia the question of British preference was left over to be dealt with as soon as the Commonwealth Government should be able to take up the whole question of tariff revision. But an attempt was made to enact a preliminary instalment in connection with an abortive treaty of reciprocity with New Zealand (1906). The Bill granting the preference to Britain was, however, reserved for the Royal Assent; the Labour Party having insisted on restricting the preference to goods carried in British ships manned by white labour, which the Imperial authorities held to be a violation of foreign treaty rights. Thus the Bill never became operative; and the initiation of British preference in Australia had to wait, after all, until the Commonwealth Parliament was able, after the Conference of 1907, to take up the question of the federal tariff as a whole. Canada, meanwhile, naturally did not proceed with the further preference which she had offered as the price of preferential exemption from the British corn duty. But since Germany, by way of retaliation for the British preference, persisted in refusing to grant her the benefit of the most-favoured-nation clause, the Dominion proceeded, in 1903, to levy a surtax of one-third the ordinary tariff rates on German imports, thus doubling the British preference against Germany in the Canadian market.

[1] For a fuller account of the preferences enacted in 1902–1907, see Appendix J to this volume.

Newfoundland had never committed herself, except to the extent of the general resolution, and was now in the middle of her single-handed struggle for American reciprocity.

In 1906 the influence of the recent British elections did not take longer than in 1911 to make itself apparent in the policy of the Canadian Government. Early in 1906 they took the first step in that policy of seeking markets, outside the Empire, which in 1902 they had in effect warned the British Government would be the result of failure to secure by means of Preference a more expansive market in Britain for Canadian products. The first step was to bring Canada under the Anglo-Japanese treaty of 1894, with a view to obtaining access on easier terms than hitherto to the markets of Japan, where the western dietary was said to be coming into fashion. Part of the price paid by the Dominion was a recognition of the right of Japanese subjects to enter and reside in Canada, which presently[1] led to a dangerous outbreak of mob violence in British Columbia; once more indicating the connection between economic policy and foreign policy. Before the end of the same year (1906) a second important step was taken by a revision of the Canadian tariff. Instead of containing only the "general" and "preferential" columns, the tariff was henceforth to include a third and "intermediate" column, specifying rates midway between those of the General and Preferential tariffs, for the benefit of such foreign countries as might be deemed to give Canada equally favourable treatment. The Canadian Government seem at the time to have thought that the Intermediate tariff might be applied to any country simply by Order in Council, without

Position in Canada.

Japanese treaty.

Intermediate tariff.

[1] Sept. 1907.

the necessity of negotiating a treaty which would tie their hands for a period of years. But in practice, when in course of time negotiations with France and other countries were undertaken, they found themselves obliged not only to enter into treaties but to enlarge the concessions offered by the Intermediate tariff, thus encroaching further than they had intended on the margin of British preference. It has, indeed, been a feature of their career in the path of commercial negotiation with foreign countries that at every stage they have gone further than they were generally expected or had themselves intended to go. In the latest instance, that of the American negotiations, they seemed to most observers to have set in motion forces which they could not control.

The Canadian anti-Imperialists.

Despite, however, the evident postponement of Imperial Reciprocity as a consequence of the Unionist *debâcle* in January 1906, the steps which had been taken by the outgoing Colonial Secretary to put in hand the agenda for the next session of the Conference, and particularly his own special proposal, had given an impetus to public interest which the accession of the Free Traders could not abruptly reverse; and which in retrospect contrasts palpably, at the time of writing, with the general mood of languid pessimism on the eve of the 1911 session. In Canada the opponents of constructive Imperialism maintained a steady stream of protest against the idea that the Dominion should undertake any expenditure for naval defence or incur the risk of diminution of autonomy which was held to lurk in the Lyttelton proposal. It might have been supposed that the disarmament programme of the new British Government would have reassured the Canadian anti-Imperialists. On the other hand the awakening of Britain to the palpable menace of the German naval policy—which the dis-

armament policy was obviously put forward to counter —may have been noted in Canada as portending a possibility of renewed attempts at the coming Conference to obtain naval subsidies from the Dominions. The extreme pacificist attitude was plainly congenial to Sir Wilfrid Laurier, but was not universal to his party. Mild proposals in the direction of creating the nucleus of a Canadian navy had been put forward by Mr. Préfontaine,[1] the Minister of Marine and Fisheries (to which department in Canada naval defence is assigned); but on his death they were allowed to drop.

Counter efforts of Canadian Imperialists.

Meanwhile the Canadian Imperialists succeeded in keeping their views to the fore. A motion moved in the Dominion House of Commons by Colonel Sam Hughes in favour of a "full partnership union" of the Empire gave rise to an interesting discussion,[2] after which the motion was withdrawn. But in Canada the predominant feeling is antagonistic to ambitious schemes of political union of the Empire. Most of the Imperialists would rather rely on Imperial Reciprocity to bring in its train whatever devices of political machinery may be found necessary to effective unity. The British Empire League of Canada, an association which had succeeded the Imperial Federation League when the parent society in Britain was found unwilling to insist on Preference, passed a resolution advocating intercolonial reciprocity should Britain still decline to take part in preferential arrangements.

Attempt to prevent Premier from attending Conference.

As the Imperial session approached, a vigorous demand arose in Quebec—instigated by *La Presse*, the largest French-Canadian newspaper, and backed by Mr. Bourassa, the rising leader of French-Canadian tribalism—that the Premier should not attend the Conference at all. The excuse urged was that in his absence the Opposition might be able to damage the

[1] *Morning Post*, Nov. 29, 30, 1905.

[2] Feb. 11, 1907.

Government in Parliament, which would not have completed its work by the time the Premier would have to set sail. On March 25th, 1907, the leader of the Opposition, Mr. R. L. Borden, asked the Premier whether it was true that he was contemplating abstention from the Conference. He hinted that the correspondence which had been published regarding the status of additional Ministers showed that ever since the session of 1902 Sir Wilfrid Laurier had been considering the possibility of staying at home next time. On the Premier replying that he was in fact anxiously considering whether the state of parliamentary business would allow him to attend in London, Mr. Borden at once moved the adjournment of the House, for the purpose of considering the question of whether Canada ought not to be represented by her Prime Minister. He argued that the suggested abstention would be in effect a repudiation of the unanimous Resolution of the Conference in 1902 in favour of quadrennial meetings, and would tend to nullify the coming session and destroy the future of the Conference. Not only, he pointed out, was Canada the senior Dominion, but her geographical position rendered it much easier for her Premier to attend than those of the more distant Dominions. If the only obstacle was that the Government were experiencing difficulties with their supporters in the House, the Opposition would readily agree to an adjournment to cover the period of the Conference. Sir Wilfrid Laurier replied that he had not made up his mind, but that he could not go unless the Opposition co-operated in some such manner as Mr. Borden had indicated. Two days later, on March 27th, he was able to announce that, taking advantage of Mr. Borden's offer to facilitate parliamentary business, he had resolved to go. But he resented the suggestion that the interest he had shown in the question of the

status of additional members had been prompted by any thought of how to evade the responsibility of himself attending the Conference. It was necessary, he argued, to the efficiency of the Conference that it should be attended by the Minister directly concerned with the trade question, in which the Canadian Government took "a deep and vital interest."[1] But he did not conceal his opinion that, in consequence of the last British elections, there was little prospect of the Conference resulting in anything practical. He entirely agreed with Mr. Borden that the question of British fiscal policy was one for the British people to decide in accordance with their own view of their own interests. The trade question was, however, the only one which the Canadian Government had ever thought of bringing up, and on that they had nothing new to propose:

Laurier reiterates Preference policy.

> "Such as our policy was in 1902, such it is in 1907. We have given to the British people a preference under our tariff. This we have done for our benefit, and for the benefit of the relations which exist between us and the Mother Country. But we have stated that if it suits the British people to reciprocate we shall be prepared to discuss the question and go a step further than we have yet gone."

In general:

> "We are satisfied with our lot . . . we go to London to perform the task set us, not by way of making suggestions ourselves, but rather receiving suggestions made to us either by the British or the other Colonial Governments."

Opposes Imperial Council

He was thus, it may be observed, assuming for Canada the attitude which the British Government had hitherto assumed as their own prerogative, and which would only have to be adopted all round in

[1] March 25th.

order to reduce the Conference to complete silence. As to the talked-of Imperial Council or Commission, he feared that any such body might pass resolutions or make suggestions which would be embarrassing to the Governments interested. It was a proper thing that there should be a body to which suggestions could be made and information conveyed, but they already had the Colonial Office for that purpose. He feared that any new body might be composed of "all the faddists, all the men of one idea, whose business it is to solve problems behind a desk and in the quiet of their offices." He also indicated clearly how he would meet any proposal for reviewing the question of Imperial defence in the light of the new situation created by the German naval programme:

and defence schemes.

> "I expressed five years ago that for no consideration whatever would Canada be induced to be drawn into the vortex of European militarism. The conditions which prevail to-day in Europe are deplorable to a degree. The condition is one of an armed peace, almost as intolerable as war itself. This cannot last for ever; it seems to me the date is not far distant when these nations, the wisest, the most advanced, the most civilised in the world, will recognise the folly that has been carried on for centuries and will come back to a more humane system, such as we have on this continent. Therefore, upon this point, our attitude is exactly the same as that which we took in 1902."

In the course of the debate Mr. Foster protested that "the whole history of the race rose and proved that the people who were not prepared to defend themselves lost in the long run"; and that training Canadians to defend their country was not the same thing by any means as plunging into the vortex of militarism. The Americans, he pointed out, had

already flung off the fallacy of isolation, and were building a fleet which would soon be among the largest. In these circumstances Imperial union for defence was obviously the right policy. Mr. Borden took occasion to protest against Mr. Lloyd George's polite description of the Canadian Opposition party as a "rump of Protectionists." But the then President of the Board of Trade has been supported by the subsequent Prime Minister who, the other day, described the Preference policy as a record "imposture." Counter protests were faithfully made by the Free Traders when Mr. Balfour, in the same debate, alluded to the American reciprocity agreement as a "disaster." It is a rule of the party game that such statements and protests should be made in due alternation; but there is nothing to show that the Empire as a whole fails to recognise the party motive where it is manifest, or to suspect it even where patriotism for a moment has supervened. No bones are broken over the politicians' wordy warfare.

Inter-Imperial party amenities.

Mr. Bryce, the British Ambassador at Washington, came to Ottawa shortly before the departure of the Canadian Ministers for London. It was rumoured at the time that Sir Wilfrid Laurier intended seeking the release of Canada from existing British commercial treaties, so as to free her hands for negotiation with foreign countries. After the Alaska Boundary episode in 1904, Sir Wilfrid Laurier had spoken of the necessity of acquiring larger treaty powers for Canada; but the agitation which began was not maintained. On April 4th, 1907, Sir Wilfrid Laurier sailed from St. John, leaving Sir Richard Cartwright to wind up the parliamentary business.

Treaty rights and obligations.

Mr. Seddon, who in 1902 had made a kind of royal progress through South Africa as well as Britain, was not the man to relapse into insular apathy. In

Position in New Zealand—Seddon's attitude.

October 1905, a report[1] appeared in the British press that he had received an invitation to attend an Imperial Conference in the ensuing year; that he had publicly announced his intention of doing so; and that he would bring up, among other subjects, the formation of an Imperial council, the adoption of retaliatory laws in regard to coastwise trade, and the improvement of the method of dealing with appeals to the Privy Council. The immediate effect of this report was to evoke a protest in the Liberal press against the outrageous presumption of the discredited Balfour Government, then plainly tottering to its fall, in proposing to convene any such Conference. It was further ascertained that no invitations had in fact yet been issued; and it was not obscurely hinted that the self-assertive Premier had better mind his own business and wait till he was asked. Mr. Seddon at once cabled to explain that he had never said he had received an invitation, but had only alluded to the Conference as a probable event. But he declared that to refuse to convene the Conference would be a breach of agreement with the Colonies. The episode is worth recalling because it illustrates what in retrospect seems an astonishing ignorance to have been displayed even so lately as six years ago, though it was characteristic of the public mind in regard to the Conference. The Lyttelton despatch of the previous April, with its reference to the prospective session, had not yet been made public. Yet it is strange to think that the Resolution passed in 1902 in favour of quadrennial meetings had been so completely forgotten already in the journalistic world of the Imperial metropolis.

But Mr. Seddon was not destined to attend another Imperial session. He died suddenly "in harness,"

[1] *Times*, Oct. 17 and 19, 1905.

under the strain of overwork on a "holiday" visit to Australia, just after he had embarked on the homeward voyage, on Sunday, June 10th, 1906. His successor Sir Joseph Ward, duly forwarded the advance resolutions, including the subjects already indicated by his late chief. Before leaving for England, he explained in public speeches the attitude he would adopt at the Conference. At Dunedin he declared that there was a "call for some concrete, authoritative body capable of voicing the sentiments or conveying the decisions" of the Colonial Government to the British Government; "a responsible council with representation from all portions of the Empire." The proposal would, he thought, be welcomed by the authorities in the Home country, who would regard it "in the light of members of a distant family coming together to the old home to assist in the preservation and the strengthening of the tie that binds them together." It seems clear that his ideas in this direction were inspired by a sense of the paramount urgency of one particular question, with which he repeatedly associated the proposal to create an advisory council:

Ward proposes Imperial Council

on account of Asiatic immigration danger.

> "Take the question of the introduction of coloured races. . . . Perhaps it will be of interest to you to know the terms of the motion of which I have given notice: 'That in all future treaties with foreign nations the Imperial Government will make such treaties subject to the right of all its self-governing Colonies to pass such laws as they think fit to limit to the fullest degree, short of absolute exclusion, the immigration into those Colonies of aliens.' The motion embodies what I claim to be the undoubted right of the British people of New Zealand to frame their own legislation governing aliens, and we are surely justified in asking the Mother Country, in any treaty that it may require for offensive or defensive purposes to enter into, to preserve this right for its self-governing

> Colonies to exercise. We cannot, of course, ask to be allowed to legislate for absolute exclusion, as that would necessarily be denied to us, and it would be unfair of us to ask it; but we can ask for the preservation of the right to legislate for the limitation to the fullest degree of the introduction of coloured or alien races to our country." (Otago *Witness*, Jan. 23, 1907.)

The suppressed resolution.

The above is particularly interesting because the resolution thus read out does not appear with the rest of the New Zealand resolutions in the published correspondence; nor was the subject specially discussed at the Conference. In the published Report of the session there is very little reference to the subject of coloured immigration; though it may have been treated sectionally or at a private sitting. From the context the allusion seems clearly to have been to the treaty of alliance (not the commercial treaty, to which only Queensland and Canada had become parties) with Japan;[1] though it is not generally supposed that there is anything in that treaty to give the Japanese Government the right of claiming entry for its subjects into British Colonies. Nor is there known to have been any serious friction at this time with New Zealand, except that certain restrictive legislation, aimed specifically at Chinese, had not been assented to. Whatever may have been his immediate ground for anxiety, Sir Joseph Ward was clearly very much in earnest about the matter. At Melbourne, on his way to London, he was reported as saying to an interviewer that there would be a struggle some day to keep the Japanese and

[1] Cf. *The Round Table*, No. 2, Feb. 1911, which contains a most illuminating article on the Imperial aspects of the Japanese Alliance, pointing out how the recent naval concentration has left the Empire entirely dependent on Japan in the Pacific. The treaty terminates in 1915, a year in which a session of the Imperial Conference would normally fall due.

Chinese from forcing an entry into Australia and New Zealand:

> "Our position out here is not appreciated in England. When I was there some time ago I met a number of leading statesmen at dinner, and in conversation afterwards I was astounded to find that they did not understand our reasons for objecting to the Eastern races, and were in favour of throwing Australia and New Zealand open to all comers. . . . There is no such party in New Zealand. The day I came away I was entertained at lunch by the merchants of Auckland, who are the most conservative of our people, and they cheered me to the echo when I spoke about alien exclusion. We will not have these immigrants in New Zealand, and you are in the same position in Australia. . . . The one thing that would make Australians and New Zealanders turn and fight against their own flag would be an attempt to force them to admit these aliens." (Melbourne *Argus*, Feb. 5, 1907.)

Asiatic exclusion and defence.

Urging the creation of an Imperial council for the primary purpose of instructing and stiffening Home opinion and the British Government in regard to the Asiatic question, Sir Joseph Ward, on all these occasions, went on to the logical conclusion that it would then be the duty of New Zealand to contribute much more heavily than hitherto towards the maintenance of a fleet "for the defence of the Home land as well as of its possessions." He admitted that "it would, of course, be a splendid thing for the world at large if, as a result of the next Peace Conference at The Hague, there could be a period of peace among all the nations of the world proclaimed for the next fifty years, or even for a shorter period"; but they must take the world as they found it, and be "equipped and ready to meet the worst should

it happen to arise." Coupled, again, with these proposals was always that of Imperial reciprocity, including intercolonial preferences and the power, hitherto annulled by treaty obligations, of confining preference to goods carried in British ships. He was going to London prepared to negotiate a treaty of preference with Canada, but never excluding the mother country from the benefit. He was reported in the Melbourne interview as saying that in private letters to him Sir Wilfrid Laurier had endorsed his ideas about an Imperial council; but the Canadian Premier contradicted the report as soon as his attention was called thereto. In regard to all these proposals Sir Joseph Ward reminded his hearers that no decision of the Conference would be binding until it had been ratified by the Colonial Parliament.

Position in Australia.

Despite the divergence of their Imperial policies in one or two important particulars, there was some attempt at co-operation between the Governments of New Zealand and the Commonwealth. Mr. Seddon had consulted Mr. Deakin before replying to the despatch proposing the postponement of the session from 1906 to 1907. His "holiday" visit to Australia afforded an opportunity, of which advantage was taken, to compare ideas. After the federal elections in December 1906, which marked the final defeat of Free Trade in the politics of the Commonwealth, the prospects of the coming Conference were discussed with some animation in the Australian press. There seemed to be a general feeling that Mr. Deakin, although the elections had only given him a direct following of nineteen members out of seventy-five in the new House, would be the best representative of the Commonwealth. But the *Age*,[1]

[1] Melbourne *Age*, Jan. 21, 23, Feb. 6, 1907.

though generally supporting the leader of the Protectionists, displayed a certain nervousness. It recalled how Sir Edmund Barton had gone to the Conference leaving a pledge behind him that nothing binding would be done without the consent of the Australian Parliament; but had returned with the obnoxious Naval Agreement which Parliament had to accept on pain of having to find another leader at an inconvenient time. Accordingly the *Age* demanded that Parliament should be given a chance of passing resolutions for the guidance of the Premier on the main subjects which were to be discussed.[1] The policy of naval subsidies, or "hiring" defence, should be repudiated, and that of creating an Australian navy should be affirmed; mutual preference in trade should be urged; and any form of an Imperial council "involving Imperial federation" should be deprecated. In general, the standpoint and method of closer Imperial union should be that of alliance rather than federation; and mutual preference in trade would be a stronger bond than any artificial scheme of political unity. Sir Joseph Ward's proposal was criticised by the *Age* as being inconsistent; because it postulated, on the one hand, authority and responsibility for the proposed council, and, on the other hand, undiminished autonomy for the States, which was a contradiction of ideas.[2]

Demand for Parliamentary control.

In regard to Preferential Trade there seems to have been no difference of opinion between its New Zealand and Australian advocates; except that in

[1] The same demand was made in New Zealand. *Cf.* the Wellington *Evening Post*, Oct. 27, 1905, criticising Mr. Seddon for having committed the Colony in 1902 to a contribution to the Queen Victoria Memorial without previously consulting Parliament, and on account of his proposal regarding a military Reserve force.

[2] Sir Joseph Ward seems, however, to have imagined a council advising primarily, if not exclusively, the British Government, not the Colonial Governments.

the view of the *Age* the policy of Imperial Reciprocity, being really vital to closer union of the Empire, should be strongly pressed on the British Government and people, instead of being presented by the Colonial representatives in its Colonial aspects only. Lord Milner's carefully reasoned speeches were attracting interest and approval in both Canada and Australia. His *dictum*, "England must remain a Great Power or she will become a poor country," [1] and that she could not remain a Great Power except by means of closer Imperial union based on trade reciprocity, seemed to the *Age* to put the position in a nutshell. The apprehension that Mr. Deakin might be outmanœuvred by the British Government as Sir Edmund Barton had been was strengthened by the unsympathetic tone of insular indifference to Australian aspirations in which the Committee of Imperial Defence had lately been criticising the Commonwealth's naval proposals.[2] On the other hand, a welcome indication of the tardy awakening of Britain to the Australian point of view was afforded by a debate in the British House of Commons [3] in February, in the course of which Mr. Balfour, the leader of the Opposition, pronounced against the policy of seeking cash subsidies from the Dominions.

Compatriot politics—Home Rule.

One event of this Imperial recess was the passage in the Commonwealth Parliament, and with Mr. Deakin's support,[4] of a vaguely-worded resolution in favour of some kind of Home Rule for Ireland. The incident illustrates an interesting phase of the Imperial movement which may be described as Compatriot Politics, but which cannot be discussed adequately within the present limits of space. Another example of it was a manifesto sent by

[1] At Manchester, Dec. 14, 1906.
[2] P. (1907), pp. 38–63.
[3] Feb. 15, 1907.
[4] Oct. 10 and 12, 1905.

Labour Members of the British Parliament asking their Australian sympathisers to vote against Mr. Deakin and Preference in the Commonwealth elections.[1] In some quarters the passage of the resolution seems to have prompted the idea that Home Rule for Ireland might be one of the subjects to be put down by the Commonwealth for discussion at the next Imperial Conference. An Auckland newspaper reproduced a cartoon by "F. C. G." in which New Zealand was depicted going to the Conference with a "No Chinese Labour" placard, and Australia with "Home Rule for Ireland." The resolution in the Australian Parliament was engineered by sympathisers with the Irish Nationalist cause. And after the resignation of the Balfour Government, with the British general elections imminent, a meeting held in Wellington (at which the writer happened to be present) cabled an anti-Chinese-labour resolution to Sir Henry Campbell-Bannerman, which was duly exploited by the Liberals in the election campaign.

Chinese labour on the Rand.

Before leaving for England Mr. Deakin expounded to the Commonwealth Parliament[2] the resolutions which the Commonwealth had sent in for the Conference. He explained the idea of the Imperial Council in much the same language as he afterwards used in London; making it clear to those who took the trouble to compare his statement with Sir Joseph Ward's speeches that the Australian resolution, unlike the other, was merely a proposal to change the name of the existing Conference and provide it with a permanent office for attending to its business, instead of proposing to create any new body on a wider or different basis. Though interrupted by constant interjections, in a manner which

Deakin explains his resolutions.

[1] Dec. 1906. [2] Feb. 21, 1907.

seems to be characteristic of Australian parliaments, he encountered no serious criticism.

Position in South Africa.

Inevitably in South Africa the approaching Conference was viewed in its supposed relation to the respective interests of the two political parties in Britain, South African politics being for the moment divided on that unnatural line. By their action in restoring the Transvaal to Boer control before the end of 1906, and in promising to do the same in the next year with the Orange River Colony, the Liberals secured the gratitude not only of the Boer parties in the newly-added Colonies, but also of the affiliated party in Cape Colony, who were then in opposition. That typical example of magnanimity at other people's expense could not in any circumstances have appealed to the other party in South Africa, who found the whole weight of the British Government openly thrown into the scales against them. Their irritation was exasperated by the cynical dishonesty with which the constitution for the Transvaal had been "cooked" in order to make sure of a Boer majority in the new legislature. An allegation that the population figures of the Rand had been faked was eagerly seized upon by the British Government without any attempt at investigation—it proved afterwards to have been entirely baseless—as an excuse for increasing the representation of the country districts and diminishing that of the Rand. The same ill-will was displayed also in connection with the suppression of the native rising in Natal, with results which the present writer was able to observe on the spot. A common impression among South Africans of British descent was that the new Government in Britain had reverted to the old Liberal policy of getting rid of the Empire, and had acquired allies for that purpose in South Africa who would

Transvaal constitution.

abet them readily in weakening the ties. The preference which the South African Customs Union (including Rhodesia) had already accorded to British imports, in accordance with the Imperial Resolution of 1902, was felt to be in jeopardy. A Customs Convention held at Pietermaritzburg in March 1906, at which the two new Colonies were represented by the Crown Administrations, unanimously passed the following resolution:

Maritzburg Convention, 1906.

> "That while the preference accorded to goods and articles the growth, produce, or manufacture of the United Kingdom in the tariff now agreed upon is accorded fully and without any condition as to reciprocal treatment on the part of the United Kingdom, the Conference desires to record its opinion that the policy of preferential treatment would be more acceptable to the people of South Africa if a reciprocal preference were accorded to their products in the tariff of the United Kingdom; and that, if such reciprocity were accorded, it is the opinion of this Conference that the Preference now accorded would be considerably increased."

Quoting this resolution in the Natal Parliament the Premier, Mr. Moor, stated that the Government fully endorsed it.[1] He took the same opportunity, in reply to a series of detailed questions, to explain the attitude of the Government in regard to the leading subjects for discussion at the Conference.

Cape Opposition party.

Dr. Jameson sailed for England without having consulted the Cape Parliament in regard to the Conference, and was fiercely attacked on that score by the Opposition. Mr. Sauer (afterwards one of the South African Ministers nominated to attend the 1911 session) declared in a public speech[2] that the majority of the electors were opposed to the

[1] Dec. 20, 1906.

[2] At Sea Point, April 10, 1907.

preference whereby they "gave a good deal and got nothing in return," and would vote it down if they were free from the entanglement of the Customs Union. Himself representing the Protectionist party in the Colony, he went on to argue, like certain American Protectionists, that Free Trade was the best policy for Britain, and that her people had recently shown at the polls their appreciation of the fact.

Misapprehension of Colonial Secretary's powers.

With no clear idea of what it meant the one party approved the suggestion of an Imperial council, because Dr. Jameson had associated himself with it, while the other party denounced it. But a curious misconception may be noted. A Rhodesian newspaper hastened to congratulate Lord Elgin on having accepted the suggestion, thus showing himself to be an open-minded statesman and not afraid to follow Mr. Chamberlain. Even in the Melbourne *Age*[1] the notion emerged that Lord Elgin had committed himself to the proposal by placing it on the agenda; the truth being, of course, that the new Colonial Secretary was unable to exclude a subject in regard to which his predecessor's overture had elicited favourable replies from several of the Colonial Governments.

Position in Britain —parties and the Conference.

In Britain the general idea, as the Conference approached, seemed to be that the event would redound to the advantage of the Opposition party, owing to the prominence which Preference would assume in the hands of the Australasian and South African representatives, and to the disadvantage of the Liberal Government. To some, however, it appeared that the record of the Unionists in having slammed the door on Preference in 1903, and their subsequent shuffling over the question of "food

[1] Jan. 23, 1907.

taxes," which they had thus helped the Free Traders to make into a bogey, would be awkward obstacles to exploiting the Conference in the Unionist interest. The Liberals, on their side, revealed their intention of exploiting the presence of General Botha. It did not matter that ordinarily they would have classed the General as a thorough "Tory," an agrarian aristocrat and a Protectionist. For the time being they would advertise him as an enlightened Liberal, enthusiastically co-operating in the policy of replacing the Chinese on the Rand not with Natives but with white labourers drawn from Britain. In truth the Liberal Government had need to make the most of their Boer alliance. Within the short space of eighteen months they had blundered into no less than three quarrels simultaneously. Through their high-handed indifference to Colonial sentiment and interests, forbidding them to seek closer acquaintance with local conditions of which their knowledge was scant, they had come to loggerheads with the Commonwealth over the New Hebrides, with Newfoundland over the fisheries question, and with Natal. The last two espisodes came eventually to a curious termination; payments resembling hush-money being made in both cases by the British Government with the apparent object of averting judicial proceedings which would have involved discussion of the constitutional aspects of their administrative action.[1]

Blunders of Liberal Government.

Two other Conferences, subsidiary to the Imperial Conference, were held about the same time as the principal event. A Conference on Navigation, or

Navigation Conference.

[1] The British Government paid the fines of the Newfoundland fishermen, Dubois and Crane, on condition that the proposed appeal to the Privy Council should not go forward (Newfoundland, House of Assembly, Feb. 18, 1908); and they paid Dinizulu's arrears of salary themselves rather than have the question of the liability (on which they had insisted) of the Natal Government submitted to the Supreme Court, as the Natal Ministers wished. (Cd. 4328, p. 29.)

Shipping Laws, was convened by the Board of Trade to consider the situation which had arisen owing to the Merchant Shipping Act passed by the British Parliament in 1906, and of recent legislation on the same subject in New Zealand; while in Australia a Commission had been appointed to investigate the question with a view to legislation by the Commonwealth. In general the purpose of the British Act was to impose such standards of safety and comfort for the crews as would be consistent with the exigencies of foreign competition; whereas the Australasian purpose was to impose such higher standards as a policy of Protection might render possible. The question of Imperial uniformity became, therefore, a question of levelling Australasia down, or levelling Britain up. The Conference, attended by representatives of Britain, Australia, and New Zealand, who included Ministers, officials, and spokesmen of shipowners and seamen, sat during April, and arrived at conclusions which the Australasian representatives thought might be made the basis of legislation with a view to reconciling as far as possible the conflicting aims.

EDUCATION CONFERENCE.

The Education Conference assembled after the Imperial Conference was over. It was unofficial, having been convened through the commendable enterprise of the League of the Empire, but it was attended by representatives of official education departments in many parts of the Empire, including Britain. It also was a great success; and the feeling arose that the institution should be perpetuated. There was some discussion as to whether an official or unofficial status for the Conference would in future be preferable. In favour of continuing the unofficial status there was the warning example of how the Colonial Office had succeeded, as will presently be

described, in throttling the natural development of the Imperial Conference. Ultimately, however, the following resolution was carried:

> "That the delegates desire to express their appreciation of the value of this Conference to the work of the Education Departments throughout the Empire, and resolve (1) that a quadrennial Conference is desirable; (2) that the representatives sent to the Conference should be selected by the Governments; (3) that it is desirable that the first of such Conferences should be convened by the Imperial Government." (*Morning Post*, June 3, 1907.)

If this resolution is acted upon (as it appears to have been in 1911) there would regularly be a Subsidiary Conference on Education, coinciding with the Imperial session.

CHAPTER XI

THE IMPERIAL CONSTITUTION

Preference not an open question.

THE session of 1902 will always be memorable alike for its negative and for its positive result. The abrupt refusal of the British Government, in defiance of the rapid progress made by the Tariff Reform movement, to countenance the policy of Reciprocity was in accordance with the general expectation of all those who knew that the instinct of self-preservation actuates political parties as much as any other societies of men. To the Liberal party the victory of Tariff Reform, which could only be hastened by any concession on their part, would mean—as it had meant in Canada—a wandering in the wilderness until they were ready to recant or belie their fiscal professions. So they were not in a position to consider the question on its merits. They had closed the door against their own salvation when, in 1903, they had rushed with all the eagerness of a despairing Opposition to grasp the golden opportunity which Mr. Chamberlain had given them of exploiting the "little loaf" deception. Such an asset could not be sacrificed to mere consideration of the public interest. Their anticipated refusal to withdraw their veto on the means essential to organic union of the Empire, destroyed whatever chance there might otherwise have been of any substantial progress towards organising a joint defence of vital common interests, the existence of which was thus denied. It likewise eliminated the more remote chance of diverting the

political tendency of the closer-union movement from the path of alliance to that of federation. Why federate, when there is no guarantee of permanent community of vital interests?

Organisation a more hopeful subject.

But the discussions which, thanks to Mr. Lyttelton's initiative, had taken place during the recess had indicated that the political organisation of the Empire, as represented by the existing form of the Imperial Conference, was susceptible of practical improvement even for the restricted purposes of a makeshift Imperial alliance, terminable by any member whenever it might cease to serve the interests of the particular State. By a fixed tradition of British policy, founded by Lord Knutsford (then Sir Henry Holland) in 1887 and confirmed by Mr. Chamberlain, the initiative in any important proposal for closer union should come from the Dominions rather than from the British Government. Perhaps Mr. Lyttelton would have been better advised had he adhered more strictly to that tradition. He might have relied upon the Premier of the Australian Commonwealth, whose advance resolutions have already been quoted, to raise the question of the future constitution of the Conference and of the ancillary "Commission." As it turned out, Mr. Deakin's first resolution, supported by the vaguer proposals from New Zealand and Cape Colony, resulted eventually in the adoption of important measures for the further regularising and strengthening of the Conference as an organ of Imperial alliance.

Deakin's initiative.

In its choice of terms Mr. Deakin's resolution reflected the influence of Sir Frederick Pollock's proposals and of the Lyttelton despatch. The Commonwealth Premier had himself always been a staunch adherent to the idea of Imperial federation. Thanks largely to his unswerving patronage, the Im-

perial Federation League in Australia had survived and flourished—as it continues to this day—long after Lord Rosebery's more timorous presidency had doomed the parent League in Britain to self-extinction.[1] Mr. Deakin, for all the enthusiasm and energy he has displayed in creating the Commonwealth and in enlarging its national rights, had fearlessly insisted upon the responsibilities as well as the privileges of such autonomy, and had always pointed to Imperial federation in the strict sense as the ideal goal for the component nations of the Empire. In Canada Sir Wilfrid Laurier had relinquished his early advocacy of Imperial Federation (*e.g.* his Jubilee speeches in England in 1897) owing, no doubt, to the prejudices of his tribalist compatriots. But in Australia Mr. Deakin had proved his loyalty to the national cause too decisively for his Imperialism to create any apprehensions. The association in him of a truly national policy with the ideal of Imperial federation sufficed to convince his countrymen that the two conceptions or policies were not antagonistic but mutually complementary. Certainly he had realised that the Imperial movement cannot progress unless it enlists the support of the dominant patriotism for the time being; that for our time the dominant patriotism is the species described as territorial nationalism; and that the plan of Imperial union should therefore fit in with this national instinct. As an Australian nationalist he was the leading champion of Protection, the essential principle in nation-making; and of the corresponding policy of creating an Australian navy under Commonwealth control. But as an Imperialist he modified Protection

[1] For the story of the Imperial Federation League, and how it was succeeded in Canada by the British Empire League, *cf.* Denison, *The Struggle for Imperial Unity*.

with Imperial Preference; and he always insisted that any Australian navy should be organised from the outset with a view to co-operation with the other navies of the Empire, and should have a definite place in a definite scheme of Imperial defence. So, too, on the political side of the Imperial problem; he would retain the Conference as an organ of alliance; but he would not either desire or presume to say to posterity: "You shall not enter into Imperial Federation."

No dictating to posterity.

In Canada there has been of recent years the appearance of a tendency to dictate to posterity in this matter, by deprecating any facilities which present-day proposals might afford for a later generation to have Imperial federation if they wished. Mr. Deakin, on the other hand, has been nothing loth to create such facilities. If the term "Council" would really stimulate the idea or ease the path of federation he would willingly have it substituted for "Conference," regardless of which term most accurately expresses the existing fact. It was this difference in temperament or spirit rather than any differences in their national policies that caused a contrast to be drawn between the attitude of the Canadian Ministers and that of Mr. Deakin's group at the session of 1907. In regard to national policy there was no substantial difference between Canada and Australia in any respect. Mr. Deakin's first resolution did not suggest any substantial change in the constitution of the Conference. By the terms of that resolution his "Imperial Council" was to consist of representatives of Britain and the self-governing Colonies chosen *ex-officio* from their existing administrations. So far as the Colonies were concerned, that was practically the constitution of the Conference as it stood.

But Mr. Deakin's further proposal, recalling the

Hostility of Colonial Office.

discussions which had taken place during the recess, for equipping the Conference or Council with a secretariat and for maintaining closer communication between the autonomous Governments of the Empire, were calculated to arouse apprehensions in Downing Street, even had the Unionists remained in power. Government departments afford another example of societies susceptible to the instinct of self-preservation, if not self-aggrandisement. In the discussions during the recess the idea had been mooted of "taking the Conference out of the Colonial Office." It had been suggested that the principle of alliance should be carried to its logical conclusion by freeing the Conference from any dependence on an official department controlled by one alone of the associated Governments, and by equipping it with a separate office under their joint and equal control. Further, the question had been raised whether the normal channel of communication between the associated Governments, including the Government of Britain, should not be this new office rather than the Colonial Office. Hitherto the medium of communication between the self-governing Colonies and the British Government had been a double one. The Colonial Cabinet might address the Governor (as *e.g.* in the Lyttelton correspondence), who would convey their views to the Secretary of State; or they might communicate direct with their High Commissioner or Agent-General in London. But in the latter case the Colonial official in London could not obtain access to any of the British Ministers except through the Colonial Secretary, so that it all came round to the Colonial Office either way. It was suggested, therefore, that an easier means of intercourse might be found through the proposed new office. The Colonial Office would then be restricted to the business of administering

the Crown Colonies and Dependencies, and would have nothing more to do with the self-governing parts of the Empire. Whatever might be the abstract merits of the suggestion, it clearly threatened both the strength and the dignity of the Colonial Office. Alarm in that quarter could not fail to be aroused by the ominous if vague suggestions contained in Mr. Deakin's principal resolution. The alarm was tinged with a bitterness arising from a not unjustifiable consciousness that, on the whole, the Office had of recent years been doing its work fairly well. Thus Mr. Deakin, traditionally the most "affable" and moderate of statesmen, arrived in London to find himself regarded as a dangerous revolutionary. His first resolution had made him obnoxious to officialdom; while his second, relating to Preference, had already rendered him a *bête noire* to the Liberal Government and party.

Prelude to the session of 1907.

In these circumstances the bureaucracy and its temporary chiefs were readily united in a common purpose to checkmate the Australian Premier. Their apprehensions could not have been diminished by the fact that among the Colonial Premiers Mr. Deakin seemed to be assured of the support of Sir Joseph Ward and Dr. Jameson, who likewise were already committed to an "Imperial Council," and were known advocates of Imperial Reciprocity. There remained Sir Wilfrid Laurier (Canada); Sir Robert Bond (Newfoundland); Mr. F. R. Moor (Natal); and Mr. Louis Botha (Transvaal), the famous General, representing a new member of the Imperial partnership. The Orange River Colony was unrepresented, not yet having received responsible government. An obvious asset for the opponents of progress, if only they could exploit it successfully, was Sir Wilfrid Laurier's notorious distrust of any proposal labelled "Imperial

Council." The other Premiers were more doubtful factors. The British Government were at loggerheads with Sir Robert Bond over his fisheries dispute with the United States. He was hardly likely to help them out of any extraneous difficulty, and in any case he was not to arrive until after the session had begun. Mr. Moor was an unknown quantity in Downing Street. Not regarded in his own Colony as a particularly strong statesman, in South African affairs he was supposed to incline towards co-operation with General Botha. The General himself was something of a conundrum in relation to the work in hand. As a Premier of non-British race, and as the representative of a Colony annexed by war, he occupied a position somewhat analogous to that of Sir Wilfrid Laurier, and so might be expected to follow the lead of the great Canadian. On the other hand he had shown a disposition to approach questions of defence in a soldierly spirit, which in Quebec would be denounced as "militarism"; and there was a disconcerting rumour afloat that a temperamental affinity between him and Dr. Jameson was beginning to assert itself. Such being the situation, much seemed to depend, for the bureaucracy and Liberal party interests, upon the attitude to be adopted by Sir Wilfrid Laurier. Unluckily, from that point of view, he did not arrive until the eve of the Conference. Mr. Deakin, Dr. Jameson, and Sir Joseph Ward had already been established in London for some days. They had held informal discussions among themselves and with British Ministers. If the three Colonial Premiers had reached any general agreement as to how the constitutional question might be dealt with, and if they had found British Ministers opposed to their view or disinclined to receive it open-mindedly, they would naturally hope to have a prior

opportunity of explaining it themselves to Sir Wilfrid Laurier, lest he should be prejudiced at the outset by having presented to him a perverted version of their intention and proposals. But the hospitality of the nation required that the venerable Prime Minister of the senior Dominion on reaching Euston should be conveyed at once to receive a welcome in Downing Street before being suffered to take up his quarters in the apartments reserved for him at the Hotel Cecil.

Opening of the session.

Lord Elgin had succeeded in keeping to his date. The fifth session of the Imperial Conference (still at this time officially designated "Colonial Conference") opened duly on April 15th, 1907. The official view of the constitution of the Conference, as set forth in Lord Elgin's prior despatches, is faithfully reflected by the form in which the published Report describes the attendance on the opening day. First there is the list of "Members of the Conference," *viz.* the Secretary of State for the Colonies and the Colonial Premiers. Next comes a list of the other "Colonial Ministers" who "were present," *viz.* Sir Frederick Borden (Canada), Sir William Lyne (Australia), and Dr. Smartt (Cape Colony). Thirdly, the Prime Minister of the United Kingdom, Sir Henry Campbell-Bannerman, "was present," together with several other "Members of His Majesty's Government," who are named. Then "there were also present" Mr. Winston Churchill, Parliamentary Under-Secretary of State for the Colonies; Sir Francis Hopwood, Permanent Under-Secretary of State for the Colonies; Sir J. L. Mackay, on behalf of the India Office; the Assistant Under-Secretary of State for the Colonies; the secretaries for the Conference (supplied by the Colonial Office); and the private secretaries of the Secretary of State and the Colonial Ministers.

Thus the Colonial Ministers additional to the Premiers, and the Imperial Ministers additional to the Colonial Secretary, were not yet officially recognised as members of the Conference.

British Prime Minister attends.

After reading a telegram of welcome and encouragement from the King, Lord Elgin invited the British Prime Minister to address the Conference. In form this was a reversion to the precedent of the original meeting in 1887. In an analogous manner the Canadian Prime Minister had been invited by his colleague who was chairman to address the Conference at Ottawa in 1894. But at the two intervening sessions in London, with Mr. Chamberlain in the chair, the Prime Minister of the country under whose auspices the Conference was being held did not take part in the opening ceremony. Though the form had now been revived, the idea behind it was no longer the same as in 1887. In the view of the forward group, led by Mr. Deakin, the attendance of Sir Henry Campbell-Bannerman signified that the Government of Britain were participating as a Government, on the same footing as the Colonial Governments, which were represented by their Prime Ministers, and that the Conference was no longer regarded in Downing Street as a merely departmental affair. It had been suggested that Sir Henry Campbell-Bannerman should attend by some of those members of the Conference who had arrived early in London; and he took this opportunity of showing the willingness of his Government to meet as far as possible the proposals of the Colonial Premiers. In his speech he remarked, since there appeared to be some "mistake" in men's minds about it:

Campbell-Bannerman's address.

> "This is not a Conference between the Premiers and the Colonial Secretary, but between the Premiers

> and members of the Imperial Government under the presidency of the Secretary of State for the Colonies, which is a very different matter." (R., p. 5.)

Referring to the intention that the Secretary of State for War and the first Lord of the Admiralty should take a part in the proceedings, he stated that views in the mother country as to the duty of the Colonies towards Imperial Defence had lately been "somewhat modified":

> "We do not meet you to-day as claimants for money, although we cordially recognise the spirit in which contributions have been made in the past, and will, no doubt, be made in the future. It is, of course, possible to over-estimate the importance of the requirements of the oversea dominions as a factor in our expenditure; but however this may be, the cost of naval defence and the responsibility for the conduct of foreign affairs hang together." (*Ibid.*)

The Conference would be addressed, he announced, by Mr. John Burns, the President of the Local Government Board, on the subject of Emigration, a matter which was "of the utmost importance" to them as well as to the mother country; and in connection with the question of Preference, which, he observed, "must hold a prominent position," the Chancellor of the Exchequer and the President of the Board of Trade would "state the views" of the Government. They would be prepared "fully to recognise the friendly action which has been taken by some of the Colonies, and to enter upon this subject in the fullest and frankest manner." If differences of opinion were inevitable, they would agree to differ in a friendly spirit, with mutual respect for each other's motives and reasons. He noted the desire expressed for some means of continuing the work of the Conference in

the intervals between its meetings, which he and his colleagues hoped to find "some method of meeting." In connection with this and any other proposal he wished to remind the Colonial Premiers that "freedom and independence were the essence of the Imperial connection." He quoted from Mr. Chamberlain's opening address in 1902:

> "The link which unites us, almost invisible as it is, sentimental in its character, is one which we would gladly strengthen, but at the same time it is proved to be so strong that certainly we would not wish to substitute for it a chain which might be galling in its incidence." (R., p. 6.)

"Subsidiary" Conferences suggested.

But freedom did not "necessarily mean letting things drift." In his opinion some provision should be made for "maintaining the impetus" which these Conferences gave to the consideration and settlement of the questions discussed at them. A possible "precedent" had lately been made for holding what might be called "subsidiary" Conferences. A Navigation Conference[1] had been sitting under the presidency of the President of the Board of Trade, with representatives of Australia and New Zealand (including Sir William Lyne and Sir Joseph Ward):

> "To my mind the precedent set is of high importance, and I should like to see these ancillary Conferences held from time to time as matters arise which require more time and treatment in greater detail than is possible in the Colonial Conference itself." (*Ibid.*)

With a peroration protesting a desire to "stretch any point that can be stretched" in order to meet the views of the Colonies, but also "to avoid prejudicing in any way the interests of each other," Sir Henry Campbell-Bannerman concluded his address.

[1] For the circumstances of this Conference, cf. *supra*, p. 65.

There followed the speeches in reply of the several Premiers, in order of their official seniority, nation-States having precedence over Colonies. Sir Wilfrid Laurier had the unique distinction of having been present at the two last gatherings; while Mr. Deakin, who followed him, alone of those now assembled had been present at the original meeting in 1887. Sir Joseph Ward and the three South African Premiers were all new-comers to the Conference. The main interest of these preliminary utterances, which naturally were more formal in character than the ensuing round-table discussions, lies in the indications they gave of the standpoint from which each Member was disposed to approach the general question of closer union and the more specific proposals about to be debated. Sir Wilfrid Laurier endorsed Sir Henry Campbell-Bannerman's view of the existing constitution:

Laurier on the Conference.

> "This Conference is not, as I understand it (I give my own views), a Conference simply of the Prime Ministers of the different self-governing Colonies and the Secretary of State, but it is, if I may give my own mind, a Conference between government and governments; it is a Conference between the Imperial Government and the Governments of the self-governing dependencies of England." (R., p. 7.)

Despite prospective differences of opinion, all believed, he said, in the "future of the British Empire," and all were trying to "move towards the same goal and the same end." As to the right line of progress he was in entire accord with the view of the British Prime Minister, that the safe path was for each part of the Empire to pursue its own interests independently:

> "If the basis of the union which now binds the British Empire remains as it is now, a proper and

> always permanent recognition of the principle that every community knows best what does for itself, then we cannot go wrong, and our deliberations must be fruitful." (R., p. 7.)

Deakin on the Conference.

Mr. Deakin spoke at greater length. As to the existing constitution the Colonial Premiers acknowledged, he said, the presence of the British Prime Minister as a "recognition" of the principle alluded to by Sir Wilfrid Laurier that

> "this is a Conference between governments and governments, due recognition, of course, being had to the seniority and scope of those governments." (*Ibid.*)

In point of fact Sir Wilfrid Laurier is not reported to have said "between governments and governments" but "between government and governments." Judging by the context above, as well as by the previous correspondence with the Colonial Secretary and by subsequent events, the distinction between the singular and the plural use in Sir Wilfrid Laurier's definition represented a difference of real importance between his view and Mr. Deakin's. Sir Wilfrid Laurier seems to have recognised an exceptional status of the British Government, while Mr. Deakin postulated an equality of status, though not of stature,[1] between all the Governments represented, which is a view corresponding more logically than the other to the standpoint of Imperial alliance as opposed to that of Colonial dependence.

Mr. Deakin went on to emphasise the importance of publicity in regard to the proceedings, especially in order that the Conference might exercise a full measure of the "educational influence" which Sir Henry Campbell-Bannerman's concluding remarks had implied to be one of its chief functions. Owing to

[1] Lord Milner's expression at Manchester, Dec. 14, 1906.

the remoteness of Australia previous Conferences had "failed of anything like their full effect" in that quarter; only a handful of politicians and others taking the trouble to study the proceedings after the event. He could not share some of the objections raised to publicity:

Advocates publicity

> "Although we have been likened and happily likened to a Cabinet of Cabinets, we differ absolutely from all Cabinets inasmuch as we have not a tittle of executive power; and therefore the strict confidence necessarily observed in Cabinets has no analogical relation to the proceedings here. There are always risks in regard to publicity, and there are some matters in which reticence and private discussions are undoubtedly desirable; but it appears to me that the major part of our discussion is not of that kind. Looking at our agenda paper I observe that those subjects are few, and of those subjects only some few parts call for secrecy. The great bulk of our deliberations might, as it appears to me, be held in public, or as nearly in public as the sense of this Conference authorises. Of course there are perils in publicity, but the greatest risk this Conference can run is the risk of being ignored and misunderstood. The more it is now ignored, or its publication postponed, the greater will be the liability to misunderstandings. These, when once they obtain currency, are hard to correct. Especially is this the case when you have to travel half round the globe before you begin the task of correction, and when you undertake that task are subject to the daily demands of local politics, which, as most of us here realise, may easily tend to conceal from constituents the Imperial issues at stake." (R., p. 9.)

He welcomed the British Prime Minister's suggestion in regard to "subsidiary" conferences; and, without mentioning the Australian State Premiers, took occasion to meet the only substantial point they

and for "subsidiary" Conferences.

had raised in their recent demand for admission to the Conference. The Subsidiary Conferences would be for dealing with questions of "more technical and more detailed character" than those appropriate to the Imperial Conference, and would therefore require a different class of representation:

> "There are many matters of this kind which can be better dealt with by such subsidiary Conferences. Some of those matters may be so better dealt with because such governments as Sir Wilfrid Laurier and myself represent, not being unitary but federal governments, have a limited though very large jurisdiction. There are questions beyond their jurisdiction falling within the control of the local governing bodies, the State Governments in our case, the Provincial Governments in the case of Canada. On certain particular subjects, such, for instance, as Education — and an educational gathering of some kind is shortly to take place here — our local governments require to be, and ought to be, represented."

More leisure desiderated.

His only regret was that the meeting of the Conference coincided in time with a London season and a session of the British Parliament. He would have preferred that it should meet when British Ministers were at leisure, and when there would be more chance of public attention being concentrated on the proceedings, which were of a character directly affecting the whole future of the Empire. In conclusion, he thought that they might properly consider whether the British Prime Minister, "if not the actual, ought not to be the titular head of these gatherings"; not in order to detract from the position of the Colonial Secretary, but in order to "impress upon the public the cardinal fact that these are meetings of governments with governments for the sake of the Empire."

British Prime Minister should be President.

Sir Joseph Ward likewise endorsed the idea of

recognising subsidiary conferences as an ancillary institution. "Under the able presidency of Mr. Lloyd George" the Navigation Conference had already reached decisions on very complex matters which had formerly appeared to be "almost impossible of solution." He pleaded for an extension to inter-Imperial interests of the non-party continuity of policy which had already been attained in the domain of foreign affairs; but he recognised the difficulties besetting the path of reform under the complicated conditions of the ancient social and political structure of the old world: Ward on the Conference.

> "In our countries we can do things in a day or year that it naturally takes a long time to effect in the Old Land, and sometimes, perhaps, we are rather restive in wondering why it is that matters that we conceive to be for the good of our people in our own portion of the British Empire, that we think might be applied to the Old World itself, have been so long in being brought into operation." (R., p. 11.)

Dr. Jameson, who was destined to exhibit an unsuspected faculty of Imperial statesmanship at this Conference, committed himself at once in a pregnant statement. He and his South African colleagues laboured under a "certain disadvantage" at these meetings: Jameson foreshadows South African union.

> "We cannot individually speak for South Africa.[1] We have not attained our destiny, as those two great Colonies, Australia and Canada, have already done. New Zealand, I believe, can live within itself, and requires no further consolidation, unless it is that great consolidation which this Conference, we hope, will take a long step towards bringing about, that is, the consolidation of the whole of the component

[1] The famous Selborne Report, undertaken at Dr. Jameson's request, and developing this theme, was shortly to be published. (June 1907.)

> parts of the Empire. But we in South Africa, I hope and I thoroughly believe, will minimise that disadvantage by the unanimity with which we will approach every subject which is brought forward, and we may further get a local advantage, I think, in that if possible we, seeing that we do suffer from that disadvantage here, will go back to our countries in South Africa more earnest than ever in endeavouring to consolidate our local interests, so that at our next Conference South Africa also shall be represented by one representative." (R., p. 12.)

Welcoming Sir Henry Campbell-Bannerman's reminder that the Conference had met for "solid business," he hoped that some "real result" might be achieved. If they could agree in framing and passing practical resolutions they could then individually ask their representative Legislatures[1] to give effect to the policies thus indicated; and so they might achieve "some practical step towards further unity, not only in the sentimental feeling, but in the practical material interests of the various component parts of the Empire."

Botha's position—multi-lingualism established.

Mr. Moor and General Botha had not much to say; perhaps feeling that they should allow Dr. Jameson, as representing the senior Colony in South Africa, to take the leading part. Finding it "a little difficult" to express himself in English, General Botha asked leave to express himself in Dutch, with an interpreter. A new precedent was thereby created, establishing the principle of multi-lingualism in the Imperial Conference, corresponding to the bi-lingualism which has been made a condition of the attempt to create a territorial national unity

[1] In effect this was a reply to Mr. Deakin's declaration that the Conference lacked legislative or executive power. Collectively the Governments hold the legislative and executive power of the whole self-governing Empire, so long as they retain their parliamentary majorities.

in Canada and in South Africa. There is, however, no reason to apprehend that any instinct of racialism will prompt the unnecessary introduction of lingual complications into the proceedings of the Conference. Dutch South African statesmen of future generations are likely to attain as complete mastery of the English language as Sir Wilfrid Laurier, who is one of its foremost orators, or Mr. Hofmeyr and Sir Henry (now Baron) de Villiers in the Cape Colony. General Botha's brief statement possesses sufficient historical interest to be quoted in full:

> "The circumstances under which I am present here this morning are somewhat different from those under which the other Prime Ministers are here. They have all been long in the saddle in the Colonies which they represent. I have just got into the saddle, and I am not firmly seated yet. When the invitation arrived to attend this Conference my Government did not hesitate to express the opinion that the invitation should be accepted at once. Of course, always having been leader of the Boer population there, and because the Government have now received great privileges from the Imperial Government, it was a source of great pleasure to me to attend this Conference on behalf of the Transvaal people, and to prove by such attendance at the Conference, that the old Dutch population of the Transvaal would work equally loyally with the English people for the welfare of the Transvaal and of the whole British Empire. I am very grateful for the sentiments expressed by Sir Henry Campbell-Bannerman in his address. I am here with an open mind on the various points raised, and with a fixed purpose of assisting my colleagues as far as I can to forward the interests of the various portions of the British Empire." (R., p. 13.)

The Conference in Committee.

This concluded the formal opening of the session. The chairman (Lord Elgin) proposed that the Conference should now proceed to make arrangements

for the conduct of its business, particularly with regard to the question of publicity, which had been raised by Mr. Deakin. By his own instructions a *verbatim* report was being taken, but the Conference itself would have to decide what should be done with it. He proposed, therefore, that they should now proceed to consider the matter "in Committee," if he might use that expression. Thereupon Sir Henry Campbell-Bannerman, having thanked the Colonial Secretary for "allowing" him to be present, and the other British Ministers (except the Colonial Secretary), withdrew. The official report states at this stage: "The Ministers of the Crown having retired, the Conference then proceeded with its business in Committee."[1]

QUESTION OF PUBLICITY.

Called upon to state the case for full publicity Mr. Deakin had no occasion to amplify greatly what he had already said. Deferred publicity would not give the Conference the educative influence it ought to exercise on popular opinion in regard to Imperial questions. While recognising that on certain occasions it might be desirable to restrict publicity, he urged that "in the ordinary course and on ordinary subjects" either the press should be admitted—as it had been during the preliminary proceedings—or else a *verbatim* official report should be issued at the close of each day's sitting.

Laurier's views.

Sir Wilfrid Laurier suggested that the practice of 1902—when only the "bare resolutions" were published at once—should be followed again; but that this time the full report should be issued at the end of the Conference. He feared that if the *verbatim* account were to be published day by day "there might perhaps arise a premature discussion upon certain matters." Lord Elgin, seizing the

[1] R., p. 14.

opportunity to support the Canadian Premier, quoted Mr. Chamberlain's observation that privacy was essential to "perfectly free discussion," and agreed that it would be "inexpedient to publish day by day." In his view the proceedings of the Conference ought to take the form of "a confidential and conversational discussion across the table." Further, he deemed it essential that each Member should have the opportunity of revising his remarks before publication, which would be "almost impracticable" in the case of full daily reports.

Lord Elgin intervenes.

By intervening at this early stage, instead of waiting for the other Colonial Premiers to express their views, Lord Elgin had effectively blocked the proposal of full daily publicity. His declaration that any system of personal revision—which naturally they would all desire—would be almost impracticable under such conditions was in effect final, because the Colonial Office and not the Conference itself had assumed responsibility for the reporting and secretarial work. If the Colonial Office could not do it, it could not be done. Accordingly Mr. Deakin rose again to offer a compromise, *viz.* that a summary of the proceedings should be prepared and issued daily by the official secretaries, each Member being given an opportunity to revise the statement of his remarks. This compromise was finally accepted, with the understanding that the full report would be issued immediately after the end of the session. There is reason to think that the majority of the Premiers had been ready to accept Mr. Deakin's original proposal; but when that was practically ruled out by the Colonial Secretary Mr. Deakin's compromise became the basis of the discussion. Sir Joseph Ward thought that "in the absence of the press" the best plan would be to issue a daily synopsis. Dr. Jameson, recog-

Compromise accepted.

nising that it was useless to discuss full publicity, because "we cannot get it," supported Sir Wilfrid Laurier's suggestion that the full report should be issued immediately after the session. The Canadian Premier reiterated his wish that nothing beyond the bare resolutions passed should be published at once, but accepted the compromise as an experiment which might be tried "without coming to a formal conclusion at this moment." Thus, through the early and decisive intervention of the Colonial Office, Mr. Deakin found himself "placed in a hopeless minority," as he said, in regard to his original proposal of full daily publicity.

The "précis" in practice.

The compromise thus reached was not effectively carried out, somewhat to the annoyance of those who had accepted it in default of full publicity. The précis was not, it appears, always submitted to each speaker for revision; nor was it issued regularly at the close of each day's proceedings. Sometimes several days would elapse before any summary appeared, the delay giving rise to inaccurate rumours. On one occasion Sir Wilfrid Laurier objected to a summary of the discussion being issued before the resolution on the subject had been passed,[1] and this seems to have been accepted by the chairman as a sufficient warrant for withholding the précis. But there is nothing mentioned in the Report to excuse the Colonial Office for not issuing a summary of the naval debate. In Parliament, on April 22nd, the Prime Minister stated that the question of publicity rested entirely with the Conference. Yet the standing orders of the Conference seem to have been ignored in connection with the naval discussion, which opened on April 23rd. That evening a summary was issued giving the barest outline of Lord Tweedmouth's open-

[1] R., p. 83.

ing statement, but the rest of the discussion was ignored to the end of the session. The naval question happened to be one of exceptional interest to the people of Australia and New Zealand. Thanks to some sympathetic agency, within or without the Colonial Office, they alone of the peoples of the Empire received, in the course of a day or two, a fairly complete summary[1] of what had taken place, in accordance with the standing orders of the Conference. This relapse into official reticence need only, perhaps, be so described in order to explain how the omission arose. The British Government had acquitted themselves creditably enough in the naval discussion, and can have had no occasion to fear publicity. It may be conjectured that the Colonial Office was not carrying out with any great enthusiasm instructions which were a departure from its own traditions and had been reluctantly adopted by its official chief at the instigation of the dangerous Australian. Time is apt to mitigate such prejudices; but it remains to be seen whether a secretarial staff lodged in the Colonial Office, and amenable only to Britain's Colonial Secretary, can ever serve two masters and efficiently fulfil the mandate of the Conference.

Full publicity preferable.

In retrospect Mr. Deakin's original proposal still seems to be the best. A study of the full Report reveals nothing which might not have been published *verbatim* the same day with no more detriment to public or even personal interests than at the end of the session. Few would dispute his proposition that the greatest risk the Conference could run would be the risk of being ignored or misunderstood. The summaries actually issued certainly saved the Conference from being ignored, but they did not save it from being misunderstood in certain cases where a

[1] Quoted in the *Morning Post*, June 13, 1907.

full report would at the time have prevented the misunderstanding. By the irony of fate the chief sufferers in this respect were Lord Elgin and Sir Wilfrid Laurier, who had vetoed the bolder plan. Through the misleading inadequacy of the official précis both were placed in a false position before the public in connection with the debate on the future constitution of the Conference. Again, during the discussion on Preference, the British Ministers would have gained more by full publicity — through the avoidance of misconception — than they actually gained by the suppression of parts of the debate in which they had not shown to advantage. For instance, Mr. Asquith, fresh from the Conference, ventured to declare again that Britain could give no preference without levying import duties on foreign raw materials. Thereupon Sir William Lyne, the Australian Minister of Trade and Customs, protested in a public speech that it created a very bad impression to find a member of the British Government repeating this "fiction."[1] The public, meanwhile, were left in uncomfortable perplexity. But the full Report, when it was published some weeks afterwards, made it easy to understand how the astute King's Counsel, defending his professional brief with all the resources of a lawyer's conscience, fell foul of the plain-thinking and plain-speaking man of business.

Lesson from 1902.

The argument for full publicity loses none of its force if the sequel of the 1902 session is recalled. When Mr. Chamberlain pleaded his unique experience of Colonial affairs in justification of his fiscal campaign, his opponents denied that such was the Imperial situation, and asked what the Colonial Premiers had said to alarm him at the recent Conference over which he had presided. In the

[1] Cf. *infra*, Ch. XIII.

course of the discussion in 1907 Sir Wilfrid Laurier expressed the opinion that the full Report of 1902 ought now to be published; but it is still withheld. Again, all the discussion during the recess (1902–1907) about the constitution of the Conference, especially on the question as to whether others than Colonial Premiers were members, and as to how India was represented, would have been much more valuable had the full Report of 1902 been available. The question of membership appears to have been fully discussed in 1902; but the "educative influence" of that discussion had been entirely lost, except to the handful of politicians who had participated in it or who enjoyed access to the confidential report. Why should the intelligent citizens of a democratic Empire have been kept groping in the darkness of bureaucratic secrecy to discover the true form of the Imperial system under which they lived and which they wished to develop?

Objections to publicity examined.

Plausible though they appear at first sight, the arguments for making restricted publicity the rule instead of the exception do not seem to stand examination. To consider them briefly *seriatim:*

(1) Much was said, though not in the Conference itself, about "confidential negotiations." But the Conference is the place not so much for confidential negotiations as for framing principles of joint policy. When the time comes for confidential negotiations, *e.g.* in regard to naval or fiscal arrangements, the established practice already was for the Ministers specially concerned to confer in private.

(2) In regard to the principle of "perfectly free discussion," as postulated by Mr. Chamberlain, Lord Elgin, and Sir Wilfrid Laurier, it has to be remembered that the Conference is of practical utility only in so far as its members speak in their official capacity as representing parliaments and peoples. If secrecy were

to be maintained in order that they might express private opinions, the Conference would tend to become an academic debating society, the members committing themselves to views which they were not prepared to advocate as responsible Ministers on their return home. For the interchange of unofficial opinions among the members the social facilities of the Conference, rather than the sittings, would appear to afford ample opportunity.

(3) "If this Conference is treated as a Parliament you will have parliamentary speeches." That appeared to Mr. Deakin to be "legitimate criticism," though he dissented from it. It cannot be denied that the full publicity for which he had contended would involve a temptation for Members to speak to the gallery rather than to their colleagues, who might be presumed to understand more than the popular rudiments of the question under discussion. But this danger, which could be averted only by means of an established tradition in the Conference, is surely just as real when the full report is to be published immediately after the session as it would be if the full report were issued daily. It must be confessed that the anti-Preference speeches of the British Ministers seem in part to have been of the "gallery" order, some of the arguments being either rudimentary or demagogic. But the Conference having agreed unanimously that the full report should not be withheld after the end of the session, the "parliamentary speeches" argument was void.

(4) The risk that with immediate publicity "premature discussions" might arise outside the Conference also seems real. But that possibility could hardly be more mischievous than the certainty, under conditions of restricted publicity, of such discussions arising on a basis of rumour rather than

official fact. For example, in 1902 the alleged tendency of the naval discussions at the Conference was vigorously criticised in Australia, during the session, upon the strength of uncertain rumours.

Deakin's criticism.

Mr. Deakin himself retained the conviction that full publicity would have been a better plan than the compromise adopted. On his return home he declared that the "précis squeezed through the key-hole led to misunderstandings in Australia."[1] The success of the Conference had lain chiefly, he declared, in the "public gatherings with open doors" to which the delegates had been constrained to turn in order to gain the ear of the country. As he had contended at the time, secrecy was "foreign to the nature" of such Conferences, in which the Members were not plenipotentiaries but depended entirely on the Legislatures they represented and on the electors who chose the Legislatures.

An additional argument.

Whatever may be the decision at future sessions, there is one point of view which is not likely ever to be advanced by any member of the Conference, but which seems, nevertheless, to deserve mention. The *verbatim* reports of these informal discussions give a better insight into the personality of the individual speaker than could be gained by outsiders in any other way with so little difficulty. Being for the most part informal, and often impromptu, the utterances inevitably reveal the speaker's personality; but generally in a more favourable light than parliamentary debates relating to topics of less exalted interest, and conducted in a party atmosphere. In the Imperial Conference the leading politicians of the Empire deliver themselves not necessarily in their best form, but necessarily in the best that is natural to them. For students, therefore, the *verbatim* report has that additional value.

[1] At Perth, W. A., June 19, 1907.

The Constitutional Question, diagrammatically explained.

Judged by practical result, the discussion on the question of the future constitution of the Conference was the most fruitful part of the session of 1907. It issued in a lengthy Resolution, defining closely the Constitution and making tentative provision for continuity in the work of the Conference. As an aid to explaining the significance of the discussion and its result a series of diagrams, originally published by the *Morning Post*, are appended to this volume and may now be consulted. They are intended to illustrate the constitutional evolution of the Empire, past and potential. Fig. 1 represents the constitution of the Empire as it is to-day, which theoretically is the same as it has always been. Constitutionally the self-governing Colonies as well as the Dependencies are subordinate to Britain. Britain gave them their charters and could take them away. The King, acting on the advice of his British Cabinet Ministers only, might disallow Canadian legislation which his Canadian Ministers desired him to ratify. The Parliament at Westminster can pass laws overriding any Colonial laws which may be found to conflict therewith. In respect of the theoretical supremacy of the British Parliament the self-governing Colonies are in the same constitutional plane as India and the Crown Colonies, as is indicated by the first diagram. This theoretical position alone justifies the popular habit of referring to the self-governing Dominions as "our Colonies."[1] In the diagram the Colonial

"Colonial dependence" in theory

[1] *Cf.* Mr Chamberlain: "And when I speak of *our* Colonies, it is an expression: they are not ours—they are not ours in a possessory sense. They are sister States, able to treat with us from an equal position, able to hold to us, willing to hold to us, but also able to break with us. I have had eight years' experience. I have been in communication with many of the men, statesmen, orators, writers, distinguished in our Colonies. I have tried to understand them, and I think I do understand them, and I say that none of them desire separation. There are none of them who are not loyal to

Office is shown as a section or division of the British Government, managing the relations of both the Crown Colonies and the self-governing Colonies with the mother country and with one another. India is controlled through a special department of the British Government; while Egypt—which in theory is still part of the Turkish dominions—is under the Foreign Office. But the status of all is, generally speaking, uniformly the status of countries subject to Britain; so that in the diagram they all appear in the same plane.

and in practice.

In practice, of course, the control of the British Government over the self-governing Dominions is now very limited. In the case of Canada it has already almost disappeared, the only matter in regard to which it is still exercised being the negotiation of non-commercial treaties with countries other than the United States. In the case of the other self-governing Dominions the tendency is in the same direction, the practical authority of the British Government varying inversely with the material or moral power of the individual Dominion to resist coercion. Newfoundland, for example, is more liable to Imperial "interference" than Canada; and Natal a few years ago had to put up with a kind of bullying which no British Government would venture to attempt against united South Africa. One of the chief incentives to union in South Africa was, in fact, the desire to attain a stronger position for resisting the interference of the British Government and Parliament. Such being the tendency in practice of constitutional development, sooner or later the forms of the Constitution will have to adapt

this idea of Empire which they say they wish us to accept more fully in the future, but I have found none of them who do not believe that our present Colonial relations cannot be permanent. We must either draw closer together or we shall drift apart."—*At Glasgow, Oct.* 6, 1903.

themselves to the accomplished facts. Even were there never any grievance in practice, the sentiment of the self-governing Dominions would eventually compel a formal change to be made. With their vast natural resources of wealth, and with their growing indigenous populations of the European type, the larger among them are severally developing a national consciousness of their own—the sense of a national individuality and possibly a national destiny distinct from that of the mother country. This instinct frets at the inferiority of the Colonial status and demands a recognition of the kind that is accorded to nations outside the Empire. Independent foreign countries conduct their own relations with the rest of the world, thereby shaping their own destinies instead of being kept in leading-strings. However small and weak, they are admitted to a nominal equality of rank with the Great Powers. Their inferiority is one not of status but of stature. The self-governing Dominions, being constitutionally the subject dependencies of Britain, are treated as such in international affairs. It was only the other day that the United States began to see advantages in direct negotiation with Canada, instead of trying as heretofore to bring pressure on her through the British Government. But neither Canada nor any other Dominion has received similar recognition at the hands of any other foreign Power. As the Dominions grow in material greatness they naturally wish to grow likewise in political dignity.[1]

"Imperial Federation."

In the abstract the most scientific solution of the problem would be Imperial Federation, implying that Britain should combine with the self-governing Dominions to set up a joint federal government, in which each of the federating units would be

[1] Cf. *The Kingdom of Canada*, by J. S. Ewart, K.C., Toronto, 1908.

on a constitutional equality. This would mean promotion for the Dominions, in so far as they would acquire a full proportional share of control over foreign policy and the corresponding policy of defence. But it would mean *de*motion for Britain, who would surrender her monopoly of those privileges or responsibilities, together with her exclusive right of overriding Colonial laws. If the Federal Government were given the same supremacy over the State Governments which the British Government in theory enjoys to-day, the State Governments (including that of Britain) would be connected with the Crown through the Federal Government alone. But if, as would certainly happen, the federating units insisted on being recognised as "sovereign" States—entering the federation upon their own initiative and surrendering only certain well-defined powers to the central authority—then each of the federated States would in future have a double connection with the Crown; first direct, and secondly through the Federal Government. Fig. 3 illustrates this federal system.

It would not be necessary to admit the non-self-governing Dependencies to federal rights. They might remain subject to the same suzerain Governments as at present (Fig. 1), Britain governing India, and Australia governing Papua. Or, they might be transferred to the charge of the Federal Government, as represented in Fig. 3, just as the Philippine Islands are administered by the Federal Government of the United States. But if some day India and the other dependencies (in suitable groups) should be raised to the plane of self-government, and so become qualified to participate in the federal institutions of the Empire, then Imperial Federation would take the form indicated by Fig. 4. Here the Federal Government is half-shaded, implying that the "colour pre-

judice" has so far ceased to operate that Asiatics and Africans are associated equally with Europeans in the government of the Empire. In the same way South Africa is half-shaded in Fig. 4, implying that the Natives and Asiatics—who together outnumber the whites several times over—are sharing in the government of the country. This last diagram is labelled "The Millennium."

The existing dilemma.

All Imperialists nowadays agree that the constitution of the Empire cannot be changed from Fig. 1 to Fig. 4, or even to Fig. 3, at a single stroke. When brought to the point Britain clings tenaciously to her monopoly of international power, pleading that this cannot be shared with the Colonies so long as they play so small a part in Imperial Defence. As Sir Henry Campbell-Bannerman insisted, "the cost of naval defence and the responsibility for the conduct of foreign affairs hang together."[1] The Dominions on their side, until they obtain a large increase of population, feel that they would be swamped by Britain in any federal parliament. Nor is the new national consciousness sufficiently mature in any of them for the exceptional advantage of their present position in regard to expenditure upon armaments to be lightly surrendered. Thus a dilemma has arisen. On the one hand the self-governing countries of the Empire are consciously though reluctantly drifting apart: on the other hand they are not yet prepared to check the drift once for all by severally exchanging national independence for federal union.

In these circumstances practical Imperialists have endeavoured to discover some plan by which the self-governing units may draw closer together consistently with the principle of national autonomy, and without rendering Imperial Federation either a necessity or an

[1] *Supra*, p. 77.

impossibility hereafter. An "open door" for posterity is the essence of the idea, not a strait waistcoat. On the economic side, which is always incomparably the most important, the proposed compromise is mutual preference in trade, based on national tariffs framed by each country to suit its own needs. This would promote a solidarity of material interests without depriving any self-governing State of control over its own fiscal policy, except to the extent that is implied in any form of commercial agreement[1] between any two independent countries whatsoever. It would neither prevent nor necessitate the future adoption of Free Trade within the Empire, which is the system logically associated with Imperial Federation.

Politically, a compromise which many Imperialists think would be practicable is illustrated by Fig. 2. Here the self-governing Dominions are represented as enjoying an equality of status with the United Kingdom—the principle for which some of the Colonial Premiers contended in 1907. Their proposed Imperial Secretariat is shown in Fig. 2 in a form corresponding to the principle of equality of status; but in Fig. 1 it is shown in the very different form in which it was actually created as a result of that session. In neither case is the Imperial Secretariat an organic part of the Imperial structure. In Fig. 2, representing "Imperial Partnership," it consists of five divisions (one for each nation-State), separate though contiguous, each division being controlled by the Government of the country which it represents. Under this system (Fig. 2) the only constitutional bond of Empire would be the Crown, which would thus occupy a much more im-

"Imperial Partnership."

[1] Canadian policy has recently illustrated both of the alternative forms of commercial bargains, viz. (*a*) a "treaty," like the Franco-Canadian treaty of 1907, or (*b*) an agreement resting on concurrent legislation only, like the American-Canadian agreement of 1911. Both forms have been suggested as appropriate to Imperial Reciprocity.

portant position than under the systems exemplified by any of the other three diagrams. Alike in 1, 2, and 4, the Crown might be lopped off without dissipating the whole structure, because other constitutional ties would remain; whereas in Fig. 2 to take away the Crown would be to dissolve the Empire. The recent announcement of the Duke of Connaught's appointment to Canada seems to signify an important step in the direction of Fig. 2. It is difficult to imagine that so near a relative of the Sovereign could be as dependent upon the support and advice of British Ministers as the ordinary kind of Governor-General. "His Majesty's Government of Canada," to cite the new official expression, seem now to be asserting the same direct connection with the Crown as belongs to His Majesty's Government of the United Kingdom.

A glance at the diagrams will show that Fig. 2 is a step towards Fig. 3 in so far as equality of status has been established between the United Kingdom and the self-governing Dominions.[1] But if the Secretariat in Fig. 2 could not develop into the Federal Government in Fig. 3, then the relationship between the partner nations of the Empire would in principle resemble that subsisting between foreign countries in alliance. In the Imperial Conference, with its auxiliary Secretariat, they would have their ambassadors permanently assembled together to discuss their joint affairs. The only exceptional features, from the standpoint of alliance, would be the common Crown and the unusually wide range of matters regulated by joint or co-ordinated policy.

[1] The essentials of a federal system are, as Mr. Deakin has pointed out, two: (1) equality of status as between the federating Governments; (2) a direct relation of citizen to citizen under the federal Government, irrespective of the State Governments. This second essential is absent in "Imperial Partnership" or alliance, there being no federal authority.

But whatever might be the probable direction of subsequent development, some such idea as that represented by Fig. 2 may be detected behind much of the discussion, as conducted by the Colonial Premiers at the session of 1907, about the future constitution of the Conference. Perhaps the easiest way to present the main features of the discussion is to begin by quoting the resolution which was ultimately adopted by a unanimous vote : The Capital Resolution of 1907.

> **"That it will be to the advantage of the Empire if a Conference, to be called the Imperial Conference, is held every four years, at which questions of common interest may be discussed and considered as between His Majesty's Government and His Governments of the self-governing Dominions beyond the Seas. The Prime Minister of the United Kingdom will be *ex-officio* President and the Prime Ministers of the self-governing Dominions *ex-officio* members of the Conference. The Secretary of State for the Colonies will be an *ex-officio* member of the Conference, and will take the chair in the absence of the President. He will arrange for such Imperial Conferences after communication with the Prime Ministers of the respective Dominions.**
>
> **"Such other Ministers as the respective Governments may appoint will also be members of the Conference—it being understood that, except by special permission of the Conference, each discussion will be conducted by not more than two representatives from each Government, and that each Government will have only one vote. . . .**
>
> **"That upon matters of importance requiring consultation between two or more Governments which cannot conveniently be postponed until the next Conference, or involving subjects of a minor character or such as call for detailed consideration, subsidiary Conferences should be held between representatives of the Governments concerned specially chosen for the purpose."**

The above is the main part of the Resolution by which, after a protracted and somewhat confused The opposing schools.

debate, the Conference defined its own constitution. The omitted section, relating to the creation of a secretarial staff, has been held over for separate consideration later on. Throughout the discussion, and especially in the part relating to the secretarial staff, a clear division of Imperial thought may be traced between the Colonial Office, on the one side, and on the other side the school represented by Mr. Deakin. The contrast is that between the first two of the diagrams in the Appendix, depicting respectively "Colonial Dependence and "Imperial Partnership." The Colonial Office appeared to stand consistently for the former; Mr. Deakin for the latter. Sir Wilfrid Laurier is not so easily placed; but seems finally—and paradoxically if the peculiar circumstances of his position are ignored—to have ranged himself with the Colonial Office. Sir Joseph Ward, Dr. Jameson, and General Botha, though appearing to dissent more or less from Mr. Deakin's view, are found in the end to have reached, by a different path, much the same ground as the Australian Premier.

"Conference" or "Council."

The first question to be discussed was whether the old title "Colonial Conference" should be changed to "Imperial Council" as proposed by Mr. Deakin and Sir Joseph Ward. The most comprehensive resolution before the meeting was that of the Australian Government, which Mr. Deakin proceeded to explain. "Our object," he declared, "is to retain the Conferences as they are at present in respect to their authority, to their constitution, and to their periodical meetings."[1] The only reasons he gave for the proposed change was that the previous Imperial Government had suggested it, and that it would be appropriate in so far as "Council" might serve to stamp the institution with the impress of a more

[1] R., p. 27.

"regular" and "permanent" existence than "Conference." Mr. Deakin's conception seemed to be that the Conference of Governments should be regarded as having a continuous existence even when the members of it were scattered.

Laurier opposes "Council."

But Imperial "Council" already possessed too definite and unfavourable a connotation in Sir Wilfrid Laurier's mind[1] for him to be able to welcome the proposed change of title, even when Mr. Deakin had assured the meeting that—as the very terms of his Resolution showed—there was no idea of changing the constitution of the Conference. Throughout the debate Sir Wilfrid Laurier—although he expressed a desire to approach the question with an "open mind"—kept referring back to the Lyttelton despatch, in the light of which, with the shadow of the Pollock scheme across it, he seems to have interpreted the Australian proposal. As for the Colonial Office, Lord Elgin came prepared with an elaborate brief against the plan of "establishing a new body with powers independent of the Conference."[2] His argument was a defence of the principle of Colonial self-government against the dangers of this purely imaginary scheme. Clearly there was something curiously abnormal in the situation when the Colonial Secretary was found championing Colonial self-government against a threatened invasion of it by Colonial Prime Ministers, including those of the most democratic among the Dominions. The paradox becomes perspicuous when it is remembered that Lord Elgin was never an imaginative statesman, and that the Colonial Office was fighting for self-preservation. The Colonial Secretary seems to have been furnished by his departmental advisers with an elaborate bogey for

Elgin's official bogey.

[1] R., p. 29, &c.

[2] R., p. 36.

him to exhibit, and rend amid the plaudits of those whom he would rescue from the dragon.

Lord Elgin, acting in perfectly good faith, was embarrassed by the discovery that the case supplied to him by his departmental advisers was based on entirely fictitious premises, and that he was beating a dead horse. "In what I have said hitherto," he somewhat pathetically explained, "I have no doubt rather assumed that I was speaking of what I imagine possibly might be the idea underlying the New Zealand resolution as to an Imperial Council in place of the Conference."[1] Unfortunately this confession was never mentioned in the official précis of the discussion, so that those outside who had noted the contents of the published resolutions were given the impression that Lord Elgin was deliberately misrepresenting the Australian proposals. Full publicity would have saved him from the misunderstanding. But his appeal in excuse to the very vague New Zealand resolution, on to which he had tried to cast the responsibility for the alleged attack on Colonial autonomy, was not agreeable to Sir Joseph Ward, who emphatically repudiated the imputation:

Bogey repudiated by Ward.

> "I have not suggested at any time in our country that we should be responsible for the creation of an Imperial Council which should have executive authority, because I am personally opposed to it. . . . I do not wish the impression to go abroad that I have

[1] R., p. 37. As has been seen (*supra*, p. 55), Sir Joseph Ward's original idea of an Imperial Council seemed to be essentially different from that of the Australian Resolution. But at the Conference he accepted from the outset the main principle of the Australian Resolution as expounded by Mr. Deakin, *i.e.* the maintenance of the Conference on its existing basis, with a supplemental secretarial staff, as opposed to any alteration of the basis or the creation of any advisory body. But he appeared, differing from Mr. Deakin, to accept the Colonial Office as a satisfactory department in regard to its existing functions, which the secretariat was to supplement rather than take over.

> proposed establishing anything of the kind, because I have not. In that respect I wish to say that the criticisms . . . really do not apply." (R., p. 45.)

The mischief had, however, been done; Sir Wilfrid Laurier and General Botha being apparently impressed with the notion that the sacred principle of self-government was threatened. That the Colonial Office should have succeeded in frightening only the two Premiers who were of non-British race illustrates once more the importance of eliminating racial sentiment from the theory or plan of closer Imperial union. Mutual understanding and confidence naturally are more easily established among men of the same race than among those whose primary instincts are inherited from different histories. Accordingly the Imperial movement should direct its appeal not to racial sentiment but to reason, relying on the development of material and moral interests held in common. Had it not been for the gulf of racial difference, the intuition of the Canadian and Transvaal Premiers would have forbidden them to imagine, even on the authority of the Colonial Office, that their Australasian and South African colleagues were a whit more likely than themselves to plot or abet the destruction of Colonial autonomy. That Lord Elgin should himself have been susceptible to so ludicrous an inspiration may be attributed to the nervousness of the Government to which he belonged in regard to the subject of Preferential Trade. To their anxious mind it may have seemed conceivable, if not actually probable, that the Australasian Premiers were planning to create a new body which would have the power and inclination to impose by its own *fiat* the policy of Preference on the United Kingdom.[1]

Advantage of racial sympathy.

British Free Traders nervous.

[1] Some rather wild rumours to this effect had obtained currency in a section of the press; evoking a protest from the *Morning Post*, April 10, 1907.

"Colonial" or "Imperial."

The Australasian representatives withdrew the proposal to call the Conference a council the moment they found that Sir Wilfrid Laurier was opposed to it. The general feeling seems to have been that, as Dr. Jameson remarked,[1] nothing should be done except by unanimous agreement. But all agreed that "Imperial" should be substituted for "Colonial" Conference. The justification for this change was not that India was or should be represented (a fallacy to which some currency had been given in outside discussions), but, as Sir Wilfrid Laurier expressly pointed out,[2] that the Conference included representatives of the Imperial Government—"Imperial,"[3] because it governs India and other dependencies, and controls the foreign relations of the whole Empire. The Resolution, following in this respect that of 1902, restricted the right of membership of the Conference to self-governing States, thus confirming the democratic basis of Imperial organisation. When Mr. Asquith casually referred to Sir J. Mackay as "representing" India, Mr. Deakin interjected, "He represents the British Government."[4] Thus by the decision of two successive Conferences the principle was established that for the present purposes of Imperial organisation the interests of non-self-governing States are entrusted to the suzerain Government, which would generally but not necessarily or invariably be that of Britain.

Representation of India.

Quadrennial sessions.

The principle of holding the meetings quadrennially had been laid down in the Resolution of 1902, and was now merely reaffirmed. This point seemed

[1] R., p. 33. *Cf.* Chamberlain, *infra*, p. 78. [2] R., p. 29.

[3] According to Sir Frederick Pollock (Colonial Institute, April 11, 1905), "Imperial" as applied to the Imperial Parliament "is only a survival of the mediæval protests against the King of England being supposed inferior to the Emperor, and the Reformation protests against papal jurisdiction."

[4] R., p. 294.

to be overlooked in British ministerial circles, where the decision to meet every four years was hailed as a striking step in advance. Lord Elgin himself said of the 1907 gathering, "We meet under the resolution of the last Conference."[1] The question of the interval was, however, reopened; some members, especially Sir Wilfrid Laurier, wishing to have it lengthened so as to make the meetings occur less frequently. Mr. Deakin, backed by Dr. Jameson, protested,[2] on the ground that it was Imperially desirable not to minimise the importance of the Conference. General Botha would have preferred a five-year interval; Sir Wilfrid Laurier warning him that he would "find in practice great inconvenience"[3] in more frequent meetings. Thanks, however, to Mr. Deakin's intervention, it was agreed to maintain the four-year period.

"Between Governments."

Attention has already been called to the difference between Sir Wilfrid Laurier's and Mr. Deakin's conception in regard to the status of the several Governments represented. The Canadian Premier had defined it as a conference "between Government and Governments," differentiating the British Government from the Colonial Governments collectively. Mr. Deakin, on the other hand, had defined it as "between Governments and Governments," allowing no superiority of status to the British Government. The practical importance of this difference in view was destined to come out very clearly, as will presently be seen, in connection with the proposed Secretariat. According to Mr. Deakin, all the Governments should be regarded as equal *qua* Governments, the only differences between them being those of "seniority and scope." On this principle Britain would rank above Canada, the British Government being both senior and of wider scope; Canada above the Aus-

[1] R., p. 35. [2] R., pp. 57–8. [3] R., p. 58.

tralian Commonwealth, by virtue of seniority; the Commonwealth above the Union of South Africa, again by virtue of seniority; the Union above New Zealand, by virtue of "scope" in a territorial or material sense; and New Zealand likewise above Newfoundland, which has a far smaller potentiality of separate national existence than any of the others, owing to its comparatively restricted area and natural resources, and its proximity to the huge Dominion. But Sir Wilfrid Laurier's definition most accurately expressed the existing fact; while Mr. Deakin's, illustrating the wish as father to the thought, was postulating conditions not yet realised.

"Dominions," not "Colonies."

The phrase "*His* Governments of the self-governing *Dominions beyond the Seas*" is noteworthy in respect of the words italicised. The original draft, submitted by the Colonial Office, was "the Governments of the self-governing *Colonies*."

Sir Wilfrid Laurier, Mr. Deakin, and Sir Joseph Ward all objected to "Colonies," and tried to hit upon some designation which would differentiate their young nations from the Crown Dependencies. In default of a better suggestion they accepted "Dominions," which in a more comprehensive sense was already included in the King's title. In the singular the term had long been appropriated by Canada, to whose seniority Mr. Deakin regarded its adoption by the Conference as a compliment. At the Colonial Office the innovation was deplored, Lord Elgin speaking regretfully of the old tradition at a gathering[1] soon after the close of the session. "Beyond the Seas" was added to qualify "Dominions" in the first occurrence of the term, which afterwards is used alone. The Colonial Secretary urged that "self-governing Dominions" without the qualification would include

[1] At the Corona Club, June 19, 1907.

the United Kingdom; and throughout the discussion he jealously guarded the distinction between the United Kingdom and the Colonies collectively. It is easy to believe that his official advisers had earnestly drawn his attention to that point.

"His Majesty's" Governments.

Sir Wilfrid Laurier objected to the implication in the original draft that "His Majesty's Government" was a title appropriate to the Government of the United Kingdom exclusively. He proposed substituting "the Government of the United Kingdom," because "we all claim to be His Majesty's Government."[1] Lord Elgin, again scenting equality of status, protested that "His Majesty's Government" was in fact a recognised technical term for that one Government.[2] The compromise which appears in the Resolution was finally adopted on the suggestion of Dr. Jameson.[3]

The Presidency and Chairmanship.

The appointment of the Prime Minister of the United Kingdom as *ex-officio* President was an innovation which the Colonial Premiers advocated as a means of impressing the public mind with the idea that the Conference was one between Governments as such. "*Ex-officio*" was adopted from the Australian resolution, Mr. Deakin explaining that it was intended to cover the contingency of a Prime Minister being unable to attend, in which case he might send a deputy. As regards the chairmanship—which was assigned to the Secretary of State for the Colonies in the absence of the titular President—Mr. Deakin suggested[4] that the Resolution should be so worded as to admit of the senior Prime Minister (*e.g.* Sir Wilfrid Laurier in 1907) taking the chair on occasion. Lord Elgin, however, argued that "a member of the British Government would be the most convenient

[1] R., p. 89.
[2] *Ibid.*
[3] R., p. 90.
[4] R., pp. 42, 60.

man to choose,"[1] while Sir Wilfrid Laurier himself thought that

> "according to the fitness of things, and according to what is accepted now, that this is a Conference between Government and Governments, the chairman should be a member of the British Government." (R., p. 61.)

Whenever the reluctance of the Colonial Secretary to take a step in advance was strongly shared by any Colonial member of the Conference, the others would not press the controversy. Hence the conservative view was accepted on more than one occasion when probably there was really a majority in favour of a more progressive course.

Right of membership.

The second paragraph of the Resolution, regulating the position of Ministers other than Prime Ministers and the Colonial Secretary, recognises a logical corollary of the principle that the conferring parties are Governments and not individuals merely. As has been seen, in 1902 the Colonial Premiers and the British Secretary of State for the Colonies were alone regarded as full members of the Conference, other Ministers of the British and Colonial Governments being invited to participate only when their special subjects were under discussion. Henceforth,[2] however, other Ministers were to be full members, attending throughout, though speaking only when asked to do so by their respective chiefs.

By the Resolution each Government was given power to appoint other Ministers to assist the Prime Minister. This authorisation seems to render superfluous the provision in the first paragraph that Britain's Colonial Secretary should be an *ex-officio* member. Without that provision, the British Prime

Colonial Secretary privileged.

[1] R., p. 61.

[2] Sir W. Laurier did not regard this point as having been definitely settled at the first meeting. R., p. 84.

Minister might at any time have appointed the Colonial Secretary to be a member. As the Resolution stands, the British Colonial Secretary is the only Minister, outside the circle of Prime Ministers, who is an *ex-officio* member of the Conference in his own right. It appears that the Colonial Office, in drafting the Resolution, took care to assign an exceptional status to its own chief.[1]

Subject to the vital principle of "one Government one vote," which had been recognised at previous sessions,[2] it is obviously a mere matter of expediency how many representatives a single Government may send. On the one hand, the debate on a special subject, *e.g.* Defence, becomes more practical if the several Ministers in charge of that department are there to take part. On the other hand, the Conference might tend to become unwieldy[3] and formal if the numbers were too large for round-table discussion. Hence the compromise, as defined in the Resolution.

Non-Ministers excluded.

But there was never a sign of any disposition to admit non-Ministers as members of the Conference. The point was accidentally raised at an early stage by

[1] The bias of the Colonial Office is exemplified in the form of the official Report. After the report of the opening meeting, which has already been noticed (p. 75), the proceedings of each day are prefaced with a statement of those "present," *i.e.* as members of the Conference. This list gives the names of the Colonial Secretary (as "President"), the Premiers and other Colonial Ministers. It is in each case followed by a supplementary list of those "also present," which includes any other Ministers of the British Government. Thus, despite Lord Elgin's own statement in the preliminary correspondence (p. 34) that the additional British Ministers attended on the same footing as the additional Colonial Ministers, and despite the Resolution of the Conference confirming that theory, the officials of the Colonial Office in preparing the Report could not apparently bring themselves to bracket *e.g.* the British Minister for War or President of the Board of Trade with mere Colonial Ministers, as ordinary members of the Conference. Under-Secretaries, moreover, whether Parliamentary (*e.g.* Mr. Winston Churchill) or Permanent (*e.g.* Sir Francis Hopwood), are listed in company with the Colonial Ministers as though enjoying the same status, whereas in reality Under-Secretaries had no status of membership in the Conference.

[2] Vol. i. p. 163, *cf.* Sir W. Laurier, R., p 90. [3] Lord Elgin, R., p. 16.

General Botha's request[1] that Sir Richard Solomon (then Agent-General for the Transvaal and afterwards High Commissioner in London for the Union of South Africa) might be allowed to sit beside him and assist him. General Botha put forward this request with unconcealed diffidence, protesting that he was most anxious to avoid suggesting a "wrong principle." Sir Wilfrid Laurier intervened at once to say that the concession would be inadmissible. It might have been different, he thought, had Sir Richard Solomon been a mere secretary; but his own recollection of previous practice was that even the private secretaries of Ministers had to wait outside the door, within call of their chiefs. Other members expressed a wish that their private secretaries should be allowed to sit within reach, in order to facilitate the handling of papers. But General Botha naturally did not press his request. Had he been "longer in the saddle" he might have begun to catch the infection of distrust or jealousy of Agents-General, which appears to have become characteristic of several Colonial Parliaments,[2] and which thus presents an obstacle to schemes for utilising High Commissioners in London (as Agents-General of nation-States are termed)[3] in connection with improved machinery of Imperial organisation.

Subsidiary Conferences.

Subsidiary Conferences, as provided for in the last part of the Resolution, are the only portion of the revised Imperial machinery for which the responsi-

[1] R., p. 17.

[2] The long delay in appointing a High Commissioner for the Commonwealth may be attributed partly to this feeling.

[3] Some confusion now attends the use of the term "High Commissioner" in connection with South Africa, since the Governor-General of the Union is High Commissioner to the British Government (in respect of Rhodesia and the Native Protectorates), while the Union Government maintains a High Commissioner in London. There are thus two High Commissioners of South Africa holding quite different offices, and serving different Governments.

bility of initiation can be assigned to the British Government. At least it is not recorded that any of the Colonial Premiers had prompted Sir Henry Campbell-Bannerman's allusion to the matter in his address of welcome, although it is known that there had been some preliminary interviews. Mr. Deakin's arguments in approval of the idea have already been quoted. But Sir Wilfrid Laurier objected[1] strongly to any provision being made by the Governments there assembled for subsidiary Conferences of subordinate local Governments. He apprehended that such an arrangement might encourage the local Governments to dispute the supremacy of the national Government. For example, supposing the Provincial representatives from Canada were to call in question the terms of the Act under which the control of the Provinces over Education is limited? He mentioned that at that very time the Government of British Columbia were petitioning the Imperial authorities against the Dominion Government;[2] and he did not desire to encourage that sort of thing. In passing it may be noted that this criticism illustrates the Ottawa conception of the nature of the Home Rule which Canadians are supposed to favour officially as a solution of the Irish question. The modern tendency at Ottawa is to restrict provincial autonomy and to expand the federal jurisdiction.[3] But as regards the question before the Imperial Conference, Sir Wilfrid Laurier's point of view coincided with the interests of Imperial partnership. He was asserting, in effect, the importance of recognising the national rather than the provincial Governments of

Laurier's objection.

Nation-States the proper units.

[1] R., p. 93.

[2] In regard to the financial relations of the Province with the federal Government. The Premier, Mr. McBride, visited London.

[3] *E.g.* contrast the constitutions of the new Provinces of Alberta and Saskatchewan with those of the original Provinces of the Dominion.

the Empire as the proper units of Imperial organisation. That principle was not then being admitted whole-heartedly by the new Government in Downing Street, though it seems to have been recognised by Mr. Chamberlain when he acquiesced in the practice of making the Commonwealth the medium of communication with the Australian States, to which the State Premiers took exception.[1] In connection with the delegation from British Columbia, to which Sir Wilfrid Laurier was alluding, the Under-Secretary for the Colonies stated in Parliament[2] that it should not be supposed that the Imperial Government would always, in such cases, support the national as against the local authority in the Colonies. For the British Government to reserve that right of discrimination is surely a pernicious principle, more appropriate to the policy of *divide et impera* than to that of evolving an Imperial partnership of nation-States. Aggrieved local governments have their remedy in the courts of law, all the Constitutions of the Dominions being based on Acts of Parliament. There could be no more likely source of friction than any assumption by British Ministers of a power of arbitration between local and national authorities in the Dominions.

Subsidiary Conferences recognised.

In Sir Wilfrid Laurier's opinion the provision about Subsidiary Conferences was wholly superfluous; the national Governments already having full power to institute conferences of this kind as occasion might arise, *e.g.* the recent example of the Navigation Conference. Mr. Churchill, however, replied that

> "the Resolution really constitutes one of the instruments of Imperial organisation, and from a public point of view it is calculated to interest the public as showing how far the work has proceeded." (R., pp. 77–8.)

[1] Cd. 3340, p. 19.

[2] June 13, 1907.

This seems to have expressed the general view. Later on it was resolved to hold a Subsidiary Conference, "if necessary," on the subject of Naturalisation. The same procedure was suggested in connection with Patents. The British Government also betrayed some idea of escaping from the Canadian "all-red" mail-service proposition through the same loophole. But a Subsidiary Conference should not be regarded as an "instrument" for placing thorny questions on the shelf. The Navigation Conference arrived at conclusions sufficiently definite to form the basis of legislation in Australasia, and the Subsidiary Conference on Defence in 1909 was equally fruitful of important results. At the same time, Sir Wilfrid Laurier's objection, that the Empire needed no additional power of this kind, was very intelligible as coming from a Dominion whose traditional Imperial policy was that of "doing things together," and leaving the machinery to be erected only when the practical need arose. Just as the Pacific cable partnership led to the creation of the Pacific Cable Board, so the adoption of Imperial Reciprocity might provide a motive hitherto absent for elaborating the machinery of inter-Imperial consultation.

The Secretariat.

The section not yet quoted of the constitutional Resolution ran as follows:

> **"That it is desirable to establish a system by which the several Governments represented shall be kept informed during the periods between the Conferences in regard to matters which have been or may be subjects for discussion by means of a permanent secretarial staff, charged, under the direction of the Secretary of State for the Colonies, with the duty of obtaining information for the use of the Conference, of attending to its resolutions, and of conducting correspondence on matters relating to its affairs."**

Space again forbids any attempt to follow the discussion step by step. It was protracted, overlapping the discussion of the other parts of the subject. The general impression conveyed by a close study of it is, that of the principal speakers Dr. Jameson had the clearest idea of the proposals which he was advocating or criticising.

Deakin's conception of Secretariat.

Mr. Deakin, whose mind always appeared to be working at lightning speed, seems to have handicapped his own proposal at the outset by attempting to combine two distinct ideas in a single scheme, despite the efforts of Dr. Jameson to keep them apart. The proposed Secretariat, according to the Australian Premier's exposition, was to serve as a link not only between the intermittent Conferences but also between the Governments, superseding on occasion the Colonial Office for that purpose:

> "We propose a Secretariat with a view to the consultation through it of the various members of this Conference, or of the Prime Ministers and others who would be members of the Conference in the intervals between their meetings; to enable suggestions to proceed from one or more or all of them through the Secretariat to each other and to the Government of this country, in order that questions likely to be dealt with at the succeeding meeting may be examined some time ahead, and that all necessary information and inquiries may be made and views exchanged, so that the proposition, after reflection, may either be pressed, modified, or abandoned when the Conference is entered upon. Under these circumstances, instead of meeting as we do to-day with only a very imperfect relation to the Conferences which have preceded this, and instead of taking up the questions before us in an elementary fashion, we should have an agenda of partly or completely prepared, and sometimes partly digested matters. . . .
>
> "The action of the Secretariat would be subject, as

I have always said, to the real authorities without whom no action is proposed to be taken, that is to say, in each self-governing community, to that community itself; until its assent was given in the ordinary way by law or by executive act, as the case might be, there would be no power in the Secretariat to ask for or to direct any action. The Secretariat would be merely an agency for carrying out the instructions of one Conference and for acting as an intermediary at the suggestion of any Prime Minister or any Government or Governments in order to prepare for the next Conference or between its meetings.

"Let me say in conclusion that there are some matters of foreign politics, for instance, which occasionally touch closely either every Dependency or some of the Dependencies of the Empire, and amongst them some or all of the self-governing communities. At the present time any communication on those matters is indirect of necessity, but it is also impeded by other considerations. We may appear officious; we may appear to be assuming, without sufficient knowledge, that some communication of ours is called for. We desire to be in a position to be able to make such necessary inquiries in regard to foreign politics as may appear to us to be urgent and important, to make them direct, to obtain a reply, and if that reply appears to us to embody any principle, to communicate through such a Secretariat with the other self-governing communities asking that they be placed in possession of the same information, in order that they may consider whether in the interests of their own people they too should not communicate direct with the Government of this country, in whom the whole control of foreign affairs and defence rests. I think such occasions would be of rare occurrence, and do not think they would arise after we had once got into touch with one another more than once or twice a year, but when they did arise they might be very vital indeed to some or all of us."[1] (R., pp. 27–8.)

[1] *Cf.* R., pp. 63–71.

To Mr. Deakin's mind, always running ahead of the others, the two ideas may easily have become inseparably connected. He had come to the Conference with a specific complaint against the Colonial Office, arising out of matters concerning the New Hebrides. Apart from that, he seems to have conceived the idea (which has been adopted for the purpose of the present work) of the Conference as an institution having a continuous existence even when its members were scattered. Upon that hypothesis all communications between the Governments, at all times, would be communications between members of the Conference, and *ipso facto* relating to its affairs. Therefore all such communications would fall logically within the scope of the Secretariat of the Conference. Mr. Deakin, however, as will presently be seen, did not go quite so far.

Double function of Secretariat.

But the other members had not caught up with the conception of the Conference as a continuous institution. "We are talking," interposed Dr. Jameson, "not about a link between the Imperial Government and the Governments of the self-governing Colonies, but a link between the Conferences;"[1] and this view was ultimately embodied in the Resolution.

Opposition to Secretariat.

A confusion between these two ideas of a "link" —a link between Conferences and a link between Governments—seemed to run through the whole discussion. Lord Elgin, followed by Sir Wilfrid Laurier[2] and General Botha, made matters worse by assuming that Mr. Deakin's proposal, having been inspired by the Lyttelton despatch, was intended to give effect to the unofficial suggestions with which that document had been commonly associated. Under this obsession they criticised Mr. Deakin's proposal as though its purpose or tendency would be to set up an irresponsible advisory council, which would fire off embarrass-

[1] R., p. 47.

[2] R., pp. 29, 35, 67.

ing resolutions aimed at the Conference or at the various Governments, threatening their independence of action.[1]

This perversion of the proposal was warmly repudiated by Mr. Deakin himself,[2] Sir Joseph Ward,[3] and Dr. Jameson.[4] In point of fact it seems that Mr. Deakin's plan, so far from suggesting any new kind of advisory body, was framed with the idea of getting rid of the peculiar influence of the Colonial Office, which generally manages to control the ordinary kind of Colonial Secretary. As Mr. Deakin explained, he regarded the Colonial Office as disqualified by its major business of ruling the Crown Colonies—which he admitted was "admirably" performed[5]—for the totally distinct task of handling the Imperial interests of the autonomous Dominions or of understanding their point of view. He complained that the despatches of the Colonial Office sometimes "give us a general sense of discussing a question with persons who have already made up their minds about it upon another basis altogether."[6] Probably he had in mind principally the New Hebrides affair. But the full report of this session itself furnishes the most convincing proof of the justice of his indictment. Comparing the Australasian exposition of the Australasian proposal with the criticisms of the Colonial Office, made through Lord Elgin, there is no need to seek further for an illustration of Colonial statesmen "discussing a question with persons who have already made up their minds upon it on another basis altogether." To all appearances the Colonial Office neither wished nor tried to consider the forward policy on its Imperial merits, but was intent only on defeating it at all costs. To accomplish this end it did not scruple

Colonial Office prejudice.

[1] R., pp. 37–40 *et passim.* [2] R., pp. 26–7. [3] R., p. 45.
[4] R., p. 33. [5] R., p. 29. [6] R., p. 44.

to take advantage of Sir Wilfrid Laurier's well-known difficulties, and of his mistaken preconceptions (mainly arising through inadequate or misleading information) as to the purport of Mr. Deakin's proposal. If this view seems to be uncharitable to the Colonial Office, the only alternative would be to attribute to that department an intellectual incapacity which cannot plausibly be alleged against it.

Control of Secretariat.

The case for having a permanent secretarial staff to form a link between meetings of the Conference had been so fully established, thanks mainly to Sir Frederick Pollock, that it could no longer be seriously disputed. The important point, which split the Conference, was whether the Secretariat should be paid by and therefore responsible to the Conference as a whole, or be paid by and responsible to one Government only, *i.e.* that of Britain. Logically the decision of this point depended upon the answer to the anterior question: Were the Governments to be regarded as all equal in status, or was Britain to be regarded as the permanent suzerain of the others? Naturally Mr. Deakin and his friends, being advocates of equality of status, argued for equality of responsibility in relation to the Secretariat, as illustrated in Fig. 2. The others, assigning a superior status to the United Kingdom, argued with equal logic that the Secretariat ought to be established, if at all, within the confines of the Colonial Office, as in Fig. 1. This plan was finally accepted because Sir Wilfrid Laurier insisted on it; the other section of the Premiers explaining that without the concurrence of the senior Dominion they would not press a forward policy. Realising that the official scheme, which the Colonial Office had adumbrated, was diametrically opposed in constitutional principle to their own,[1] they nevertheless accepted it

[1] Mr. Deakin, R., p. 90.

in the expectation that before the next session it would have proved a failure, which would facilitate a future attempt to reconstitute[1] the Secretariat on the principle of Imperial Partnership.

"Ministerial responsibility."

Sir Wilfrid Laurier's objection to the plan of a Secretariat built upon the principle of Imperial Partnership was the difficulty which he alleged of reconciling it with the principle of "Ministerial responsibility," to which every British democracy is supposed to attach vital importance. This difficulty seems to have presented itself to his mind in two forms:

(1) To Dr. Jameson's contention that the Secretariat should be made responsible to all the Prime Ministers, Sir Wilfrid Laurier replied, "How will they control it when you are in South Africa and I am in Canada."[2] This difficulty vanishes, however, when it is remembered that for years past the Colonial Governments have contrived, albeit with occasional friction, to control Agents-General or High Commissioners in London; while the British Government has always controlled officials in the uttermost parts of the Empire, as well as ambassadors in foreign countries.

(2) A Secretariat, Sir Wilfrid Laurier argued,[3] must have a single responsible head, who in turn could be effectively controlled only by the undivided responsibility of one Minister, *i.e.* of one Government.

This was perhaps a more real difficulty. Mr. Deakin suggested[4] that the director of the Secretariat should be the British Prime Minister acting in his capacity as President of the Conference, *i.e.* as representative of all the other Prime Ministers. Though Lord Elgin quickly ascertained that Sir Henry

[1] Dr. Jameson, R., p. 91.
[2] R., p. 67.
[3] R., p. 67.
[4] R., p. 64.

Campbell-Bannerman would decline[1] to assume the suggested responsibility, Mr. Deakin would not admit the objection, which the Colonial Secretary advanced, that the task would be a serious addition to the Prime Minister's duties, or would require a very large office:

> "All the departments of this Government would remain—the Colonial Office, the Foreign Office, the Board of Trade—and matters of inquiry and ordinary communication would go to those departments as a matter of course. What I thought might be attached to the Prime Minister personally were those despatches which have respect to the exercise of the self-governing functions of the self-governing communities, all great constitutional questions or matters involving constitutional questions. These, happily, do not arise frequently." (R., p. 44.)

For the rest, the Secretariat would be engaged in work of a routine character, not requiring the personal attention of the Prime Minister. Mr. Deakin would have it composed[2] of officials selected for their knowledge of the several countries. Constitutionally, it seems, they would have no individual responsibility for anything issuing from the office, which would act solely in accordance with the direction of the British Prime Minister or his nominee. To illustrate diagrammatically the constitutional aspect of this conception the internal divisions of the Secretariat in Fig. 2 would have to be erased, and a single dotted line would connect the whole with the Government of the United Kingdom.

At first sight it may seem that such a system would not in practice be really different from that of Fig. 1, because the British Prime Minister, though nominally acting as chairman of the Conference, might still be able to direct, or at least restrict, the activities

[1] R., p. 68. [2] R., p. 76.

of the Secretariat in the interests of his own domestic party, regardless of the interests of other members of the Conference; in which event the Secretariat might become open to much the same objection as the Colonial Office itself from the standpoint of Imperial Partnership.[1]

Dr. Jameson[2] seemed to have got hold of a slightly different idea. His Secretariat would be composed of five distinct divisions as in Fig. 2, the head of

Jameson's plan for Secretariat.

[1] In reply to the above criticism (which appeared in substantially the same form in the *Morning Post* of August 3, 1907), a prominent Australian, intimately acquainted with Mr. Deakin's views, wrote to the author as follows: "You have not, I think, asked yourself what the new Secretariat is to *do*. The answer is, Nothing executively except by consent, nothing legislatively except through the several legislatures. Why, then, fear to allow the British Prime Minister to preside over its ordinary work of conducting written communications? If, as we understand Laurier's question, he referred to mere administrative supervision of the office and its work by the Prime Minister, deciding nothing except by agreement, instead of having another Colonial Office you would have an office of an absolutely new pattern and your criticism doesn't apply. If Laurier meant more than this he had not thought out what such a novel type of office meant, and we disagree as you do with his objections. Our plan is as true to the Diagram 2 as your own. Our second principal aim is to make the office the channel of constant intercommunication *between the oversea Dominions*. This intercommunication of the Dominions is intended to cover criticisms of any matters arising between the Home Government and any one or more of the Dominions, so as to keep all in touch with the precedents as they are established, and enable them all to co-operate in reviewing the whole work of the office. This is another guarantee against its becoming a new Colonial Office, which in our view is impossible in any case. Finally, the functions of the High Commissioners have to be allowed for. They will be very useful adjuncts *as channels of their Governments* and very little more. There is said to have been at the Conference a tacit, universal, and most resolute determination of all the Prime Ministers not to part with a scrap of authority to their High Commissioners and to prohibit them from anything approaching a really representative position. This was most marked, though for obvious reasons not publicly discussed or reported. No doubt the High Commissioners' advices would often count for a great deal with their Ministers, but the jealousy of distant Cabinets is a factor never to be forgotten in this connection. But the chief point to consider is the work of the Secretariat, and if you agree that it is not to be clothed with powers or possess authority to act except as a Clearing House for the Empire, and an agency through which all its parts can be brought together to work for agreed aims, I think you will see Mr. Deakin's proposal in another light. Taking this view of the Secretariat's functions, we naturally have no special objection to what you describe as Jameson's alternative scheme, except that we think Deakin's would work better."

[2] R., p. 66.

each division being paid and controlled by the Government it represented, just as are the Agents-General and High Commissioners now. In fact he mentioned[1] the High Commissioners and Agents-General, "who are entirely under our control," as the obvious men for the Colonial Governments to utilise. He seemed to make it clearer than Mr. Deakin that the director of the Secretariat, whoever he might be, could take no action in the name of the body as a whole except with the consent of all its members individually, who individually at every stage would carry on the correspondence with their respective Governments. No partner Government would have any liability, financial or political, for any action taken by the director to which its own representative had not expressly assented. But, that there would have to be a Ministerial director he admitted in reply to Sir Wilfrid Laurier's questionings, and he agreed with Mr. Deakin that the British Prime Minister would be the proper person. It remains difficult to see how, on the principle of Imperial partnership, the Secretariat could be placed under the direction of any one Minister. Surely it might be organised simply as a board of co-operation, electing a chairman only for its formal meetings, or as the nature of the business might require.

Communication between Governments.

Turning to the other aspect of Mr. Deakin's proposal, *i.e.* the function of the Secretariat as a channel of communication between the Governments, it is not easy to see why the Colonial Secretary should not act for the British Government in such matters. Mr. Deakin's main idea seems to have been that with the London representatives of the oversea Governments grouped in a single office, intercourse between them would become more habitual and extensive. For that

[1] R., p. 34.

idea there is, no doubt, much to be said. In relation to such recent episodes as the Alaska Boundary incident, the New Hebrides negotiations, the Newfoundland fisheries dispute, or British interventions in South African affairs, the Dominion immediately concerned might have been glad at the time if a ready means had existed for trying to enlist the sympathy and support of the sister Governments. In regard to tariffs, again, a Government contemplating tariff revision or measures of preference might profit by such an opportunity of comparing with others the classification of its schedules or its methods of effecting preference, with a view to promoting Imperial uniformity in such matters. But as to the alleged unsuitability of the Colonial Office for discharging the representation of the United Kingdom in such matters, it is surely for each Government to decide, as Lord Elgin protested, what officials it shall employ, either under the present system or in connection with an Imperial Secretariat. In the exercise of its autonomy the British Government chooses to correspond with the other Governments through its Colonial Secretary, who happens to be charged also with the affairs of the Crown Colonies. Australia happens to have a similar arrangement; her Minister of External Affairs, who conducts correspondence with the partner Governments, being also charged with responsibility for the administration of the Commonwealth's "Crown Colony" of Papua. The essential point seems really to be, not that the Colonial Secretary should not be the Minister employed by Britain for correspondence with the other Governments, but that any kind of joint department which may be established for joint purposes should not be either within the Colonial Office or under the control of any one Government exclusively.

Governors and Secretariat.

Lord Elgin apprehended that Mr. Deakin's proposal to use the Secretariat as the normal channel of correspondence between Governments might prejudicially affect the position of the Governor, through whom communications to or from a Colonial Government had generally passed. "There would be a danger," he feared, "of the influence of the Governor being destroyed, or at any rate his opportunities of influence being restricted, and of course it would not be very difficult to make the service less attractive to men of ability and energy." But whatever may be said for or against the exercise of political influence by a Governor, the system under which he acts as a medium of communication with other Governments, through the Colonial Office, is essentially the system of Colonial dependence. Upon the theory of Imperial partnership which is reflected in the recent appointment of a Royal Prince to Canada, the Governor represents the common Crown, not the British Government. If the British Government may send and receive despatches without reference to the Crown, though acting in its name, why, on the theory of equality of status, should not the other Governments follow the same procedure?

Evolution of High Commissioner.

There was at one time a marked tendency for the office of Agent-General or High Commissioner in London to expand from the domain of finance and commerce into that of political affairs. But of late years there seems to have been some reaction. The exalted social position of Lord Strathcona, for example, hardly seems to be equal in political importance to the position which Sir Charles Tupper managed to assert for the office during his period of tenure. During four years[1] he held the office con-

[1] Apparently 1888–92. See his letter in the *Morning Post*, March 19, 1907.

currently with a seat in the Dominion Cabinet,[1] which naturally gave his representations exceptional weight. Acting in this double capacity he succeeded in persuading Lord Salisbury, on one memorable occasion,[2] that it was necessary to make a decisive stand against the pretensions of the United States. As High Commissioner he was accredited by the British Government to act with the Ambassador at Paris in negotiating the Franco-Canadian Treaty of 1894; but on the last occasion (1907–1909) the Canadian Premier and Minister of Finance came over for that purpose. Though the High Commissionership thus appears to have declined in political importance, it remains available for future development should the need hereafter be felt to have arisen. In 1907 there was only one High Commissioner, that of Canada; Australia and South Africa being represented by groups of Agents-General. Already, however, matters have so far advanced that there are four High Commissioners, representing respectively Canada, Australia, New Zealand, and South Africa.[3] It is interesting, therefore, to notice that in 1907 most of the Colonial Premiers seemed to regard the High Commissionership as the right nucleus of the Imperial organisation which they were discussing. Sir Joseph Ward felt

High Commissioners and Secretariat.

> "disposed to consider whether the self-governing countries could not mutually agree to . . . the High Commissioners or Agents-General becoming the recognised channel through which communication should pass." (R., p. 31.)

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[1] Sir James Garrick, Agent-General for Queensland, was also Minister without portfolio, 1884–88.

[2] *Cf.* Denison's *The Struggle for Imperial Unity*, pp. 151–4.

[3] Newfoundland has no representative in London of this kind. For Imperial purposes she might some day be willing to entrust her interests to Canada, as she did practically in connection with the recent Atlantic Fisheries arbitration.

General Botha, who admittedly relied upon the advice of Sir Richard Solomon, thought that

> "the link between the Conference and our Agents-General should be drawn closer, because these Agents-General really represent us here." (R., p. 69.)

He had suggested, accordingly, that they might be instructed to co-operate in preparing the agenda.[1] Mr. Deakin himself readily assented[2] to the South African[3] suggestion that the High Commissioners should form the Colonial side of the proposed Secretariat.

Tupper's view.

Finally Sir Charles Tupper, the veteran ex-Prime Minister of Canada, protested in a review article against the "fallacy" of the notion that at present there was no machinery for dealing with inter-Imperial questions as they arose:

> "The self-governing Colonies have for many years past been represented in London by Agents-General or High Commissioners, who with a staff of able men under them have maintained communication between the Colonial and Imperial Governments.
>
> "I had the honour of representing Canada as High Commissioner for thirteen years. . . . I am bound to say that whatever Government was in power the representations of the Colonial Governments received the most prompt and attentive consideration from not only the Colonial Minister of the day but all the other Ministers, including the Prime Minister, whenever the occasion required us to communicate with him. If it were a matter affecting one Colony, it was dealt with by the representative of that Colony, but if it were a question affecting the other Colonies as well, all the Colonial representatives met at the Canadian Office, and having agreed upon the line to be taken, we went in a body to the Secretary of State

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[1] R., p. 35. [2] R., p. 73.

[3] For Dr. Jameson's view, cf. *supra*, p. 124.

for the Colonies,[1] or, where the question affected another Department, an interview would be arranged for us there." (*The Nineteenth Century*, May 1907.)

Power of terminology.

Thus it appears that the silent evolution of the Empire, impelled by the elder statesmen of Canada, had at one time begun to produce an Imperial organisation of the very kind that Mr. Deakin, Dr. Jameson, and Sir Joseph Ward strove at this session of the Conference to create by a conscious effort. Their attempt failed because it was prejudiced by their adoption of a novel and distrusted terminology. Council and Secretariat were terms which had obtained currency in a somewhat unfavourable connection during the preceding recess. Had Mr. Deakin and his friends proposed, not to call the Conference a "Council," nor to equip it with a "secretarial staff," but simply to charge the High Commissioners with the duties specified in the adopted Resolution, it seems probable that Sir Wilfrid Laurier would not have so easily misunderstood their intention and the Colonial Office would have found it less easy to distort and defeat.

Triumphant bureaucracy.

Having succeeded in obtaining authority from the Conference for the Colonial Office to provide the secretarial staff, Lord Elgin logically enough treated a subsequent attempt by Mr. Deakin to elucidate some details as an unwarrantable interference in the affairs of the United Kingdom.[2] Bureacracy had triumphed and the Empire had lost. The clock had been set back by the acceptance of a so-called compromise which in effect confirmed the principle of Colonial dependence and therefore obstructed the evolution of Imperial union. For, there remained the persistent truth that the irresistible growth of the Colonies into self-conscious nations can never issue in either Imperial

[1] *E.g.* several times in connection with the Pacific cable project.

[2] R., pp. 526–7.

Partnership or (ultimately) Imperial Federation, which between them exhaust the alternatives to gradual disintegration of the Empire, so long as Britain represses the movement towards equality of status — a principle which is common to both systems—in the vain hope of perpetuating Colonial Dependence.

Reform of Colonial Office.

The subject of the organisation of the Colonial Office, on which the Commonwealth had sent in a resolution, had been incidentally discussed a good deal in the course of the Constitution debate; Mr. Deakin reiterating his complaint that the Office was out of touch with the feeling of the Dominions. The question had been placed separately on the agenda for the third day, but had not been reached when the sitting was drawing to a close. Lord Elgin, remarking that for his own part he had nothing further to say about it, hinted that it might be dropped unless Mr. Deakin desired to have it further discussed on some future day.

Mr. Deakin accepted the offer. But not until the concluding hour of the session did he get the promised opportunity of going further into the matter. The brief discussion which then took place is disguised in the index prepared by the Colonial Office under the title "Interchange of Permanent Staff," as though it were something connected with Defence. Interchange of civil officials between the British and Dominion Governments—on the analogy of the interchange of military officers which was already an established practice—was one of Mr. Deakin's remedial proposals; but the subject under discussion was the unsatisfactory condition of the Colonial Office as it stood. Yet there was no just reason for any of the officials concerned to resent his criticism, which he tried to convey, in one of his own phrases, "without

brushing the dust off a butterfly's wings."[1] The Office affected Australia; and, he said, he was not doing anything that he would not do with relation to any Department of the Commonwealth. He began by observing that in Australia Government departments had for two reasons become subject to constant criticism, which was not intended in any way to reflect upon the ability or integrity of the officials concerned. First, Australians were not disciples of the *laissez-faire* school, but believed that legislation of a type involving somewhat extensive administrative action was necessary to progress; and the effectiveness of such administration required that the officials should constantly be in close touch with the actual conditions of the community. Secondly, Australia was "somewhat singular, inasmuch as political patronage, as such, does not exist." The Commonwealth Government could not appoint even an office-boy. The whole responsibility had been transferred to a Public Service Commissioner, whose appointments could not be rejected by the Government or any Minister without the express approval of Parliament, and in that case the Commissioner, not the Government, would have to make another appointment. Owing to this condition of affairs—in the account of which the Canadian Premier displayed a lively interest—public criticism was more than ever necessary in order to keep the energy of the Civil Service up to the mark. As to the Colonial Office, the nature of its work was quite exceptionally difficult:

Australian Civil Service.

Difficulty of keeping in touch.

> "The very ablest men of Great Britain, if they were public servants in this department, collected into this building, shut up in it, and left dependent upon

[1] R., p. 71.

> what they read or hear to understand the conditions of the hundred and one forms of government and varieties of conditions under which the Crown Colonies and self-governing Colonies grow up, would be quite unable to cope with them." (R., p. 613.)[1]

In regard to the Crown Colonies there was, he pointed out, some limited interchange of officials with the distant local governments, tending to keep the Office in touch with local conditions and feeling. But in regard to the self-governing Dominions there was no such interchange; even the Governor—who on his return might influence the Colonial Office—being precluded by his position from becoming so intimate as his Ministers with the work of Departments and the life of the country. The specific case of the Emigration Board, to which he had already alluded,[2] was an apposite example of the existing lack of understanding. Mr. Deakin suggested, therefore, for the Colonial Secretary's consideration, an occasional interchange of officials between the Colonial Office and the Dominion Governments; or, as perhaps an easier expedient, periodical visits of British officials. The necessity for some expedient of this kind in order to keep the Governments in touch with each other would, he argued, tend to increase rather than diminish as time went on. In the Dominions the native-born, who were rapidly replacing the immigrant British generation, could not comprehend so readily as their fathers the condition of things at Home. Then there was the new Secretariat which was to be organised in the Colonial Office, and which would depend for its success very much upon the extent to which its officers were in sympathy with the Dominions and

Functions of the Secretariat.

[1] *Cf.* Sir Charles Bruce's plea for providing the Secretary of State with an advisory council in regard to the Crown Colonies. (*The Broad Stone of Empire*, vol. i. ch. vi.)

[2] *Infra*, Ch. XIV.

understood the kind of matters likely to interest them. In future he hoped that the Dominion Governments would be kept informed from time to time of the developments taking place in regard to such matters—to quote examples from the past—as the Alaska Boundary affair in Canada, the New Hebrides episode in Australia, or the Delagoa Bay controversy in South Africa, so that they might be able to lend each other mutual support. There were, moreover, minor common interests of a permanent character requiring continuous attention in an office closely in touch with all parts of the Empire. Some of these, *e.g.* uniformity of statistics, and mutual information respecting legal changes of importance to the commercial world, had been enumerated by Mr. Drage in a recent review article.[1]

Having thus got back to the subject of the Secretariat, Mr. Deakin took the opportunity to impress once more some of the important points in connection therewith. He hoped that the Secretariat would become "a free channel of communication between the different Dominions and the United Kingdom on any matters which may be proposed by them or proper for inquiry and investigation, instead of sending direct to each other," as hitherto. He hoped also that in future the information prepared for the use of the Conference would be sent out in advance of the session, so that Members might be able to digest it before the business began. Finally, he hoped that in future the session might be arranged to take place at a time when neither the British Parliament nor a social season was in full swing. Lord Elgin himself expressed a wish that the Conference should not disperse without deciding what time of year would

Time of year for session of Conference.

[1] More fully in *The Imperial Organisation of Trade*, by Geoffrey Drage, London, 1911: a valuable book devitalised by free-trade preconceptions.

generally be most convenient for the session, so that the Secretariat might know the latest date at which the information prepared could be sent out. But he had to remark that latterly the British Parliament had taken to sitting the whole year round excepting August and September. Sir Wilfrid Laurier pointed out that the Australian Parliament sat in the British summer, which generally would be the best season for the Conference, while the Canadian Parliament sat in the British winter; so that "you must put somebody to inconvenience whenever these Conferences are to take place."

Elgin outlines Secretariat.

Lord Elgin did his best, of course, to defend the Colonial Office against an imputation that, whether by its own fault or by pressure of circumstances, it suffered from imperfection. He suggested that the competition of Rhodes scholars for places in the British Civil Service might in time help to meet Mr. Deakin's view; and he pointed out that the undertaking to institute a Secretariat for the Conference would involve the separation in the Colonial Office of the self-governing Dominions from the Crown Colonies, and a revision of the purely geographical basis on which the various sub-departments of the Office had hitherto been organised. While unable to imagine that interchange of officials could be practicable, he thought that something more might be done in the way of occasional visits. But as to the general question of keeping in touch he suggested—though the reasoning remains very obscure—that the business coming to the Office from the Dominions "depends more upon principles than upon local characteristics," so that there was really no need of the kind of sympathy which might be derived from first-hand acquaintance. As to the Secretariat, he felt that he had undertaken a formidable task; and he hoped

that his efforts to fulfil it would be supported by the Dominion Governments. Mr. Deakin hastened to assure him that the practice in Australia was for Ministers to support the British Government as far as they could; and he himself had never in Australia criticised the Colonial Office so freely as now in the Conference. Subsequent developments, it remains to add, were to prove how fruitful Mr. Deakin's suggestions in this matter became.

CHAPTER XII

IMPERIAL DEFENCE

Mr. Haldane's military plan.

On the fourth day the discussion passed from the subject of the Constitution to that of Defence. Mr. Haldane, the British Minister of War, led off with a very lucid address which was greatly appreciated, though in the upshot it did not really carry matters much further than the point reached by the War Office at the session of 1902. The war in South Africa had, he said, made a "profound impression" at the War Office, which recognised that it had been entered upon without adequate preparation, and that the importance of preparing in time of peace had not been fully apprehended. In 1904 the Esher Committee had sat to investigate the question of organisation, and the Liberal Government were now carrying on the work of reform which their predecessors had initiated. A "brain for the Army," in the shape of a General Staff, had been created. Its Chief, Sir Neville Lyttelton, had been brought by Mr. Haldane to the Conference; as also had Sir William Nicholson, the Quartermaster-General; Sir George Clarke, who had "played a great part in the Esher reorganisation," and was secretary of the Committee of Imperial Defence; and the Directors of Military Operations and Military Training. What Mr. Haldane desired to put before the Conference was "a certain broad plan of military organisation for the Empire." No "rigid model" for general adoption would be of any use; being precluded by the varying conditions of the

different countries. But it would be a help if all could agree to recognise "a common purpose or common end," the nature of which he proceeded to explain:

"This conception of defence is that the Army should be divided into two parts with distinct functions. There is a part with defence as its primary main function, and it has no obligation to go over the sea. That is raised by the citizens of the particular Dominion of the Crown concerned, simply for the purpose of home defence. There is the other part which exists not for local defence, but for the service of the Empire as a whole, the expeditionary force, which, in a country like ours, must be naval as well as military, and I go further and say primarily naval. There is the Fleet, which, in order to make the defence of the Empire what we all hope and believe it is, and are convinced that it must remain if the Empire is to hold together, must have the complete command of the sea, and must be stronger than the fleet of any other Power, or, for that matter, of any other two Powers. And, in conjunction with that, there is an expeditionary force consisting of regular troops which we have just reorganised at home. This expeditionary force, working in conjunction with the Navy, will be able to operate at a distance for the defence of the Empire as a whole. Behind that, which I call the first line, our conception is a second line consisting of those home defence troops of which I have spoken. The events of a few years ago showed that the Empire could act as a whole, and that in a supreme emergency these home defence forces would pour forth for the defence of something more than their own shores. But that rests upon voluntary effort and not upon any rigid pattern. Our main purpose in bringing this subject before you to-day is to emphasise the desirability so far as possible that these home forces of the various self-governing Dominions of the Crown should be organised, if not to a common pattern—because rigidity of pattern we

First and second lines of defence.

The Fleet; two-power standard necessary.

recognise is impossible with the various circumstances of the various countries—yet with a common end in view and with this common conception." (R., pp. 95–6.)

In Britain the Territorial Army was being planned to form the "second line" force. In Canada there was the Militia, and in the other Dominions corresponding organisations were contemplated. Thus, Mr. Haldane postulated, the broad idea of the distinction between expeditionary forces and home defence forces was common to all. If the idea were properly translated into fact, "the Empire would be defended as no other nation in the world is defended, because its resources would be available from so many quarters." But in order to work to a common pattern it was necessary to have a common conception, involving skilled advisers. That was where the General Staff came in:

Wanted, an Imperial General Staff.

"My main purpose in addressing the Conference is to suggest for your acceptance the opinion that the General Staff which we have created at home and which is in its infancy should receive as far as possible an Imperial character. I will define what I mean. It is not that we wish in the slightest degree even to suggest that you should bow your heads to any direction from home in military matters, but that the General Staff officer would have as his function this: Trained in a great common school, recruited, it may be, from the most varying parts of the Empire, but educated in military science according to common principles, he would be at the disposition of the local Government or of the local Commander-in-Chief whether he were Canadian, British, or Australian, or New Zealander, or South African, for giving advice and furnishing information based upon the highest military study of the time. . . .

"The commanding officer, according to the theory of the General Staff, is unfettered; he has the com-

> plete power of accepting or disregarding the advice of his General Staff officer, but he has at his elbow somebody who is there with knowledge, with suggestion, with advice, furnished with all the resources which are supplied by the central school from which the General Staff officer comes, namely, the headquarters of the General Staff." (R., p. 96.)

In Canada, he pointed out, a local attempt had already been made to create a General Staff, then consisting of five officers, with one British General Staff officer, General Lake. But there was no organic connection between these embryo General Staffs in Britain and in Canada. He suggested, therefore, that a system of exchanging officers between the two should be initiated, so as to "broaden the basis of this General Staff which we have just created." That would tend to bring about uniformity in regard to organisation, weapons, and other details, so as to render the forces in the several countries capable of efficiently acting together in war should occasion arise.

The "three great principles."

Some papers had been circulated by the War Office, but too late for any of the Premiers to have been able to digest them. Mr. Haldane explained their purport. The first called attention to the "three great principles": (1) "The obligation of each self-governing community to provide, as far as possible, for its own local security"; (2) "the duty of arranging for mutual assistance on some definite lines in case of supreme common need"; (3) "the necessity of the maintenance of that sea supremacy which alone can ensure any military co-operation at all." It went on to indicate how Britain was trying to perform her part by means of a territorial army, an expeditionary force, and a supreme navy. The second paper dealt with the importance of assimilating

war organisation throughout the Empire. The value of any assistance which a Dominion might in future offer to the mother country would be greatly enhanced "if it can be given in a form in which it can readily be fitted into the organisation of an entire army in the field." In regard to that point he wished to emphasise "the absolute necessity" of preparation in time of peace. A third paper related to the patterns and provisions of equipment and stores for Colonial forces.

Reserve of trained officers.

Another important question was that of the training of officers. In Britain, Mr. Haldane stated, an attempt was being made to organise a reserve of officers, and he knew that the same question was engaging the attention of the Dominions. He would like to make the reserve of officers Imperial in the same sense as the General Staff, arranging a circulation by means of interchange between the several countries. This again was a matter to the attainment of which the imperialised General Staff would be the most promising means :

> "Our great object must be to make the General Staff an Imperial school of military thought, all the members of which are imbued with the same traditions, accustomed to look at strategical problems from the same point of view, and acquainted with the principles and theories generally accepted at headquarters." (R., p. 98.)

He considered that the Imperial Reserve of Officers was too complicated a subject to be profitably discussed at the Conference; but the War Office would be "a home" for any of the Colonial Ministers who might care to follow the matter up at once. Only, he hoped that the Conference would agree in "focussing the broad purpose" on the lines of a resolution

which he had drafted for their consideration and placed in their hands.

The idea of a joint General Staff, to be established by a system of exchanging officers, met with general approval. But the sufficiently definite hint that an expeditionary force for oversea service should be a recognised part of the uniform organisation for defence had a more mixed reception. It fell to Canada, as the senior Dominion, to open the discussion on Mr. Haldane's statement. Sir Frederick Borden, the Canadian Minister of Defence, came to the point without delay:

Canada cannot promise expeditionary force,

> "So far as the Dominions beyond the seas are concerned, at any rate so far as Canada is concerned, we have no authority under our Militia law to do anything beyond spend money and make preparations for the defence of Canada itself. We cannot call our Militia out for active service for any purpose beyond the defence of Canada. Although Canada took part in the troubles in South Africa, it was done by a force which volunteered specially for the purpose and made a special contract for that purpose. I do not see very well how any responsibility could be undertaken to supply any force for any other purpose without an amendment of the law. Further, there is a provision within the law of Canada that if it is desirable to contribute a force to Imperial defence abroad, Parliament shall be called together, the idea being that each case shall be dealt with when it arises." (R., pp. 99–100.)

but approves General Staff.

As to the proposed General Staff, the Canadian Minister desired to be reassured that it would have no "independent authority" in the Dominions, such as it would have if, for example, the British officers sent in exchange to Canada were to remain "responsible in the first place to the Secretary of State for War" in England, instead of becoming responsible to the Minister of Defence in Canada. On Mr.

Haldane's renewed assurance that the General Staff was a "purely advisory body,"[1] Sir Frederick Borden declared himself strongly in favour of the exchange of officers. He went on to urge the desirability of having factories in the Dominions for the manufacture of arms and ammunition, so as to render them less dependent on maritime communications. (He had not noticed that this principle had already been accepted and recommended by the War Office itself in one of the circulated papers.) He explained that Canada had started the Ross rifle factory only after she had failed in an attempt to induce some one of the firms in Britain to establish a branch in Canada for the manufacture of the Lee-Enfield. To illustrate the necessity of such action, in 1900 Canada wanted to purchase 15,000 rifles through the War Office, but was told that if she would wait long enough she might have 5000. He agreed absolutely about uniformity of weapons; mentioning that in making the contract with Vickers, Sons & Maxim for the new field-gun he had stipulated that the gun should first be accepted in every detail by the War Office, and should be supplied at the same price as to the War Office, so as to avoid any appearance of competition between the two Governments. In conclusion, both the Canadian Militia and the Canadian people had "only one desire," which was to "prepare in every possible way" for the full protection of their "own territory." This they had shown by relieving the War Office of responsibility for the maintenance of Halifax and Esquimalt. The contingents sent to South Africa had shown the kind of spirit animating the Canadian people "when the Empire seemed for a time to be in peril." By striv-

[1] He said later on, "Any General Staff officer sent under this scheme would be absolutely your own officer at your own disposition." (R., p. 117.)

ing after uniformity in matters of organisation—which he observed would be feasible so long as the War Office did not make changes too frequently for the Dominions to keep pace—much might be done to prepare for "any supreme struggle which might take place."

Australia's attitude.

Mr. Deakin was entirely favourable to the general principles enunciated by Mr. Haldane, whose address had given him "no anxiety" such as the Canadian Minister had displayed on the score of self-government. He only regretted that the remoteness of Australia, and the circumstance that practically all the members of its defence forces had to earn a civilian livelihood, might render impracticable the interchange of whole units with other parts of the Empire. As to uniformity, the Commonwealth was already acting on that principle, if not carrying it to an extreme:

> "In Australia we have been rather subject to mockery because we have followed so closely some methods of the Imperial forces. As fast as they Germanised we Germanised, until some military experts have criticised us for failing to adapt our drill and operations to the country in which our men will require to act, dwelling too much upon getting them upon parade in exact line, at the exact angle, with the proper cap and belt." (R., p. 104.)

They made ammunition in Melbourne, but were still in difficulty about cordite. In order that there might be a sufficient demand to keep a larger ammunition factory going all the year round, he hoped that the Admiralty would agree to purchase some of its naval munitions from the Commonwealth; subject to quality and price being normal. The Australians, he declared, did not take a "narrow view" of their military obligations. The Cadet movement was making rapid

progress. He produced an elaborate map, which the War Office representatives were glad to take away and copy, showing the precise location of every kind of military unit in Australia. The miniature rifles they required were offered in Belgium at 37s. 6d., but the Commonwealth had "without a moment's hesitation" paid 39s. in order to have them from Britain. "That was to help British industry to turn out British weapons for British men." As to the suggested expeditionary force, he did not commit himself beyond declaring that Mr. Haldane's "broad-minded view of Imperial possibilities in the way of military defence" would be practically reviewed by his Government "with the warmest possible desire to co-operate" in the great projects so clearly outlined.

New Zealand's attitude.

Sir Joseph Ward remarked that the Canadian Minister's statement respecting the legal restrictions on the employment of the Militia applied equally to New Zealand. He did not agree with Mr. Deakin that the interchange of units would be impracticable. New Zealand, he was sure, could get together a Volunteer unit at any time to send for training with the Volunteer forces in Great Britain. Parliament would readily grant them an allowance, though he admitted that the difficulty would remain of keeping their employment open.

South Africa's attitude.

Dr. Smartt, on behalf of Cape Colony, went further in Mr. Haldane's direction than any of the others.[1] He favoured the idea—on which he was "extremely anxious" to hear the opinion of his friend, General Botha—of disbanding some of the permanent defence forces in the Colony, particularly the Cape Police and the Cape Mounted Rifles, with a view to re-enrolling them on terms of serving anywhere in the Empire should the Government of the Colony at

[1] The attitude of Cape Colony was similar in 1902. *Cf.* vol. i. p. 365.

any time wish to despatch an expeditionary force. He hoped, further, that a similar arrangement could be made with the Admiralty for a Naval Reserve force, on the same basis.

Mr. Moor claimed that Natal, under pressure of her Native environment, led the way in military matters, having already established compulsory service as well as a "very complete" Cadet system.

General Botha did not respond to Dr. Smartt's invitation. But he was fully alive to the importance of the subject under discussion. "If the Empire is to expand still more, this is one of the important factors in its expansion." The Transvaal was at that moment "entirely without any means of defence,"[1] and would be in a "hazardous position" should the Imperial Government remove its troops. Having previously discussed the matter with Dr. Jameson and Mr. Moor, he thought that if they could not have a general federation in South Africa they should at least federate for defence,[2] which would be "a very effective way of aiding the Empire."

Mr. Haldane approves expeditionary forces,

All the Colonial Ministers having thus expressed their respective views, Mr. Haldane at once took up Dr. Smartt's suggestion, which he said "would be a most valuable thing if it could be carried out."[3] But he recognised the difficulty—would the force be at the disposal of the Imperial Commander-in-Chief, or who would call it out on the outbreak of war? The difficulty he did not think was by any means insuperable, but he mentioned it by way of showing the need

[1] Later (R., p. 147) he explained that the Transvaal was spending £177,000 a year on its Volunteers, while the Constabulary was costing (including the O.R.C.) a million sterling; but apparently he did not set much value on either force.

[2] The recent Native outbreak in Natal had brought this matter to a head; the Transvaal, under the Crown Administration, having sent a contingent.

[3] R., p. 114.

for more detailed consideration. Dr. Smartt explained that of course these troops would not be available except with the express consent of the Colonial Government when circumstances arose. All he was aiming at was to remove the difficulty mentioned by Sir Frederick Borden, of the Colonial Government being powerless to send troops out of the country unless and until the men could be got to volunteer individually, which meant uncertainty and delay. But the Cape Minister's idea was vigorously opposed by the Premier of New Zealand, who was also Minister of Defence. The importance of Sir Joseph Ward's objection is enhanced by the circumstances that relatively New Zealand had sent more men to South Africa than either Canada or Australia; and that his predecessor, Mr. Seddon, had advocated in 1902 a decidedly "imperialistic" scheme under which there would be a reserve force in the Colony partly paid by the War Office and always at its call. To show that the much criticised Canadian attitude may be shared by the most British of the Dominions, Sir Joseph Ward's statement may be quoted in full:

but New Zealand dissents as well as Canada.

> "We want to have our Volunteer system carried out under a complete organised defence system in New Zealand, without distinction of any kind for oversea purposes. We are against anything in the nature of a standing army. We have now in existence our Volunteers, many of whom are actively engaged in helping to develop the country. We have a very large reserve force of private individuals who are qualified to serve anywhere, and we want to be in the position, in New Zealand, of allowing it to be a voluntary offering from the Government and the individual to fight oversea when called upon for the Empire, and we know we could get thousands of them. If we were to attempt a first line or company, whatever is suggested, to be always ready for oversea defence, I think you

would create internal difficulties amongst the ordinary, or rather regular, forces who would willingly and spontaneously go out and fight when the time arises. I believe, with all due deference to my friend Dr. Smartt, that it is far better to let the country as a whole realise, in the event of trouble arising, that we can draw upon our volunteers for wherever we are going to fight, not ear-marking them beforehand. A good system of defence in our own country for use externally when the time arises is the better course to follow. It would entail legislation in our country if anything of the kind were proposed, and our people in time of peace do not want to have paraded a permanent organisation to go outside the country to fight. That is the sort of thing that would deter them to some extent from general action when the time arises. I do sincerely hope at all events that Mr. Haldane will not, so far as New Zealand is concerned, expect us to go upon lines of that kind." (R., p. 115.)

Sir Frederick Borden supported the New Zealand Premier by reading a paragraph very much to the same effect from the report of his own remarks at the session of 1902.

The British solution.

Mr. Haldane found himself entirely sympathetic. Was he not at that moment confronted with just the same kind of difficulty in connection with his Territorial scheme? He would read to them the clause he had drafted for his own Bill, representing the furthest limit to which his Government had felt it possible to go:

> "Any part of the Territorial Force shall be liable to serve in any part of the United Kingdom, but no part of the Territorial Force shall be carried or ordered to go out of the United Kingdom. . . . Provided that it shall be lawful for His Majesty, if he thinks fit, to accept the offer of any body of men of the Territorial Force, signifying through their commanding officer, to

subject themselves to the liability (a) to serve in any place outside the United Kingdom,[1] . . . " (R., p. 116.)

That, he said, " is very much the measure of what we want you to do." If the Colonial Governments could get the amount of " latitude " that would enable them to organise their second-line forces in such a manner as to facilitate the acceptance of a voluntary offer, he thought it would be a step in advance.

French-Canadian " anti-militarism "

Though all the oversea members were agreed this time in taking a territorial-national rather than a Colonial standpoint, the discussion had already revealed a marked divergence of attitude, represented at the extremes by Canada and New Zealand respectively. The extremes had met in a common antagonism to the policy of ear-marking troops for an Imperial expeditionary force. But whereas Sir Joseph Ward objected to that plan because he thought it might tend to diminish the strength of the available force when the call came, the objection of the Canadian Ministers seemed rather to be directed against any policy which might appear to commit the Dominion in advance to sending any force out of the country, even though the assent of the Colonial Parliament were a condition precedent of such action. In Quebec any policy of military preparation, whether strictly Canadian or also Imperial in intention and scope, was liable to be denounced as " militarism," and to be exploited against the Government in power at Ottawa. The only idea of defence congenial to French-Canadian tribalism seems to be that of defending Quebec against invasion, and of relying for that purpose upon improvisation until Britain, performing her duty towards a conquered but loyal Colony, could again send warships and troops up the St. Lawrence as in the days of

[1] This clause was embodied in the same language in the final Act.

Wolfe. Sir Wilfrid Laurier had in his time, and particularly since the South African war, "played up" a good deal to this anti-militarist prejudice. It now impaired the otherwise natural understanding between himself and General Botha, whose instinct was decidedly "militarist"—even to the extent of contemplating the possibility of future "expansion"[1] of the Empire (presumably in South Africa) with the aid of his own people. Though Sir Frederick Borden had worked earnestly, and not without success, for the improvement of the Canadian Militia, the Government had been careful to avoid too much advertising of their efforts in that direction. In General Lake they had enjoyed the assistance, as Mr. Haldane reminded them, of a "very distinguished" officer of the British General Staff. "Precisely," answered Sir Frederick Borden, "but we have not said much about it;" and the adroit Secretary of State at once responded: "No, your deeds have been better than your words."[2] This attitude of the Canadian Government came out very clearly, almost ludicrously, in the higgling over the language of the War Office resolution; which said that the Conference "recognises and affirms" the need for developing a joint General Staff, to be available for advice to any Government that might desire it, "without in the least interfering in questions connected with command and administration." In drafting this resolution Mr. Haldane had done his best to meet the anticipated apprehensions. The resolution set off "without wishing to commit to immediate action any of the Governments represented." Some of the Premiers would fain have omitted the whole of that sentence, as being superfluous if not derogatory to the Conference; since it was perfectly well understood by this time that none of the Colonial Governments could

handicaps Dominion Government,

e.g. in regard to Haldane's resolution.

[1] *Supra*, p 145.

[2] R., p. 117.

give effect to such resolutions without the preliminary sanction of its Parliament. But at Sir Wilfrid Laurier's instance the sentence remained with the omission of "to immediate action," lest these words should appear to commit the Governments to taking some action sooner or later. In his view, apparently, a resolution of the Conference not only could not bind the Parliaments (a point on which all were agreed), but did not even commit the assenting Governments—a theory which would appear to render the Conference almost nugatory.

"Third reading."

Sir Wilfrid Laurier would have desired the resolution to be held over for what Lord Elgin had already termed a "third reading."[1] General Botha, not yet being firmly in the saddle, more naturally wished to have ample time for pondering the exact significance of every resolution. But the other Premiers were all for getting on with the business, and were less afraid of committing themselves. In a similar spirit, when Mr. Haldane suggested describing the General Staff as "for the service of the Empire," Sir Frederick Borden would have preferred "for the service of the various Dominions"—avoiding recognition of the Empire as an unit—but he did not press the point.[2] The Resolution as finally passed is given in the Appendix.

The Committee of Imperial Defence.

There was also some discussion about the relation of the Dominions to the Committee of Imperial Defence. Mr. Haldane explained[3] the somewhat nebulous nature of that "nucleus body." It had no "fixed composition"; he himself was not a member though he always attended the meetings. It was summoned, as occasion arose from time to time, by the Prime Minister, who invited whom he pleased, naturally in-

[1] R., p. 119. *Cf.* p. 84. [2] R., p. 118.
[3] R., p. 121. *Cf.* P., p. 15.

cluding a Colonial representative if the matter to be discussed affected any particular Colony. Sir Frederick Borden observed[1] that in 1903 he himself had been thus invited to sit with the Committee—doubtless in connection with the transfer of Halifax and Esquimalt. But Mr. Deakin was not satisfied with this dependence on invitation. The Commonwealth had recently asked for a report on the Australian position from the Committee, which had responded generously but without answering certain specific points to which the Commonwealth attached importance. He desired, therefore, that the Dominions should have a right not only of consulting the Committee but of sending representatives to explain their views. This principle was recognised in the Resolution passed.

"Publicity" again.

At the expressed desire of Australia, New Zealand, and South Africa, Mr. Haldane's address was published at once; the idea being to make the most of its educative influence, which would be impaired if publicity were deferred until after public interest had ceased in the Conference. Canada alone dissented, though the objection is not recorded.

Naval Defence.

Naval Defence was the next subject to be taken up. Lord Tweedmouth hardly occupied to the Admiralty the same relation as Mr. Haldane to the War Office. The First Lord had not his colleague's ability and force of character. The views he expressed —performing his part very creditably—were as much those of his professional advisers as Lord Elgin's were those of the permanent officials in the Colonial Office. Doubtless it is desirable that in naval matters the experts should be able to enforce their opinions. But in that context it is important to maintain a distinction between technical and political opinions. In

[1] R., p. 120.

Functions of Admiralty and Government distinguished.

accordance with constitutional theory and a sound practice the Admiralty would neither presume nor be allowed to frame the political hypothesis of international relations which must underlie any scheme of naval defence. That should be done by the Government of the day. The Government might, for example, furnish the Admiralty with the hypothesis of a naval alliance with Japan against a combination suggested, and ask for a scheme of naval preparation on that basis. Similarly, in relation to the problem of Imperial union, it would be the duty of the Government to furnish the Admiralty with a hypothesis of inter-Imperial political relations, which would necessarily be based on one or other of the constitutional forms delineated in the appended diagrams. Unfortunately there seems to be no ground for supposing that any Government of modern times has performed this duty. To all appearances the Admiralty, when called upon for naval plans of Imperial union, has been allowed to frame its own hypothesis of inter-Imperial political relations. Up to the session of the Conference in 1907 the Admiralty hypothesis seemed to be consistently that of Colonial Dependence (Fig. 1), with an idea in the background that the only possible change would take the form of Imperial Federation (Fig. 3). The political principle of cash contribution from the several States to a centrally administered naval fund would be equally appropriate to Colonial Dependence and to Imperial Federation; the only difference being that in the latter case the control over expenditure and policy would be federal instead of being monopolised by the suzerain State. Cash contribution had so far been the essence of the Admiralty's naval plan of Imperial union. That system had the further advantage of fitting in perfectly with the strategical maxim, "One sea, one

Admiralty's mistaken hypothesis.

navy, one control." But the political hypothesis was erroneous, not corresponding to reality. The days of Colonial Dependence were passing away ; and the new conception in the Dominions was that of Imperial Partnership (Fig. 2), not Imperial Federation. The principle of Imperial Partnership, or alliance, was antagonistic alike to the political principle of cash contribution and to the strategical principle (since it had a political aspect) of centralised control. The impulses of all-round national development and of national autonomy (including control over national fighting power) demanded that the naval policy of Imperial union should aim at the development of an inter-Imperial naval alliance, allied navies instead of "one fleet under one control."

Admiralty's new policy

The failure in 1902 seems to have taught the Admiralty at last that the old policy would not work ; and the South African War may have suggested to them that distinctively local forces might be furnished in considerable strength by Colonies which had refused to make any appreciable grant in money to the headquarters of the Empire. At any rate in 1907 the Admiralty showed that they had definitely decided to abandon the demand for cash contributions and, nominally at least, to encourage local naval development in the Dominions. But they had not yet abandoned the erroneous hypothesis. They still postulated "one navy under one control." The control they meant was continuous control, in peace as well as in war ; whereas the control which all the Dominions were always prepared to concede meant control restricted to the contingencies of war and manœuvres, and subject always to a specific transfer of the local forces to the Admiralty by the Colonial Government, as occasion arose. In peace, and pending the specific transfer, the Colonial Govern-

ment would retain control; nominally in the name of "self-government," which means—if the idea is probed—that the community desires to exert in the domain of external relations the influence arising from having discretion to fight or not to fight, instead of surrendering itself wholly to the British Foreign Office.

did not surrender claim for control.

Lord Tweedmouth's address at this sitting conveyed unintentionally a fallacious impression, that the Admiralty had at last conceded the claim of the larger Dominions to control whatever local naval forces they might create. The misconception arose partly through Lord Tweedmouth's habit of using the expression "the country"—which to many would mean only Britain—as a synonym for "the Empire." Lord Tweedmouth's habit of speech reflected the mental conception of Colonial Dependence, or possibly Imperial Federation, but not that of Imperial Partnership. The mistake as to his meaning was facilitated by the too hasty assumption that in surrendering the demand for cash subsidies the Admiralty had modernised their political hypothesis; which was not the case. All they seem really to have accomplished intellectually was to decide that contributions to "one navy under one control" might be obtained more readily, as Lord Tweedmouth subsequently expressed it, "in kind than in cash." The particular kind recommended to the more ambitious Dominions was the submarine, a form of vessel less calculated than any other to fit in with the policy of separate naval development. Not being sea-going in the same sense as destroyers or cruisers, the submarine does not lend itself to the general purposes of naval training; and as a very complicated "box of tricks" it requires too highly trained and specialised a personnel to fit in with the system of naval volun-

teers which the Dominions hoped to develop. On the not uncommon assumption that the Empire exists for the Navy, not *vice versâ*, and that Imperial Partnership must therefore be ruled out of court, the technical scheme prepared by the Admiralty for the Conference of 1907 was suitable enough. The only drawback to it was that in practice the political conditions of the Empire are almost as unadaptable as its geographical features to the ideal requirements of strategical science. In the problem of Imperial defence the Canadian or South African national consciousness is as fundamental a condition as are the lengthy land frontiers of those Dominions. But the fact that the Admiralty had not abandoned its old political hypothesis did not clearly emerge in the proceedings of the session. It was revealed later on, when the Australian Government proceeded to develop what they had imagined to be the agreed naval policy.

"Trust the Admiralty."

Addressing the Conference, Lord Tweedmouth differentiated his position from that of Mr. Haldane who had preceded him. Instead of offering them any "sketch," he would lay before them a "completed picture." The navy had never failed; and the Admiralty were confident that they knew their work. So he asked for entire confidence in that body, and in the present Government, for the future safety of "the country." They wanted the Dominions "to take some leading part in making more complete than it is at present the naval defence of the Empire"; and in so doing he asked them to "trust the Admiralty":

> "The only reservation that the Admiralty desire to make is that they claim to have the charge of the strategical questions which are necessarily involved in Naval Defence, to hold the command of the naval forces of the country, and to arrange the

distribution of ships in the best possible manner to resist attacks and to defend the Empire at large, whether it be our own islands or the Dominions beyond the seas. . . .

"There is, after all, only one sea that laps around all our shores. . . . There is one sea, there is one Empire, and there is one navy, and I want to claim in the first place your help, and in the second place authority for the Admiralty to manage this great service without restraint." (R., p. 129.)

He had brought a statement of the subsidies then current: Australia, £200,000; New Zealand, £40,000; Cape Colony, £50,000; Natal, £35,000; Newfoundland, £3000; Canada, *nil;* total, £328,000. The Admiralty did not come as beggars; they wished to meet "these contributors to Admiralty funds in a liberal and conciliatory manner." He proceeded to give a "general statement" of the Admiralty policy:

Contributions in "kind."

"We do not wish to insist that the contributions from the Colonies should necessarily be in the form only of money. We are quite ready to enter into any arrangements with the Colonies that may seem most suitable to them, and which may seem to bring advantage to the Navy, and advantage to the Colonies themselves. . . .

"His Majesty's Government recognise the natural desire of the self-governing Colonies to have a more particular share in providing the naval defence force of the Empire, and, so long as the condition of unity of command and direction of the fleet is maintained, they are ready to consider a modification of the existing arrangements to meet the views of the various Colonies. In the opinion of the Government, while the distribution of the fleet must be determined by strategical requirements of which the Admiralty are the judge, it would be of great assistance if the Colonial Governments would undertake to provide for local service in the Imperial squadrons the smaller

vessels that are useful for defence against possible raids, or for co-operation with a squadron, and also to equip and maintain docks and fitting establishments which can be used by His Majesty's ships. It will further be of much assistance if coaling facilities are provided, and arrangements can be made for the supply of coal and naval stores which otherwise would have to be sent out specially or purchased locally.

"I understood that, in Australia particularly, and in South Africa, it is desired to start some naval service of your own. Perhaps I might suggest that if the provision of the smaller craft which are necessarily incident to the work of a great fleet of modern battleships could be made locally, it would be a very great help to the general work of the Navy. You cannot take the small craft such as torpedo boats and submarines across the ocean, and for warships to arrive in South Africa or in Australia or in New Zealand or in Canada, and find ready to their hand well-trained men in good vessels of this kind, would be an enormous advantage to them. . . . There is, I think, the further advantage in these small flotillas, that they will be an admirable means of coast defence; that you will be able by the use of them to avoid practically all danger from any sudden raids which might be made by a cruising squadron." (R., pp. 130–1.)

Submarines preferred.

The Admiralty wished to consult them severally with regard to details of the scheme, making full allowance for the great variety in local conditions. Perhaps the best way to start would be "to allocate to local purposes certain portions of the subsidies already given." At the same time subsidies would, he explained, still be gratefully welcomed from any Colony which might prefer to continue that form of contribution. Then there were the possibilities in regard to docks and coaling facilities, which the Dominions might be able to provide; especially "Dreadnought" docks, of which there were already

thirteen. He suggested that possibly Canada might provide such docks at Halifax and Esquimalt, which had been handed over to the Dominion. He wished to hear what the Dominions had to say on the general question.

Deakin desires standard of contribution.

Sir Wilfrid Laurier suggested that Australia and New Zealand should lead off, as they had sent in resolutions on the subject of naval defence. Mr. Deakin, responding to the call, distinguished between the obligations of localised defence and of general defence of the Empire, both of which he recognised, and laid his finger upon the old difficulty[1] of the basis of contribution:

> "Any consideration I have ever been able to give to this question has led me to the reluctant conclusion that so far we are unable to find any scheme of the measure of responsibility, either particular or general. None of the assessments and estimates made for the purpose have appeared to me to include all the factors to be taken into account, or to have furnished anything like an exact proportion between them." (R., p. 132.)

Not in cash.

The "monetary standard" on which Australia's responsibility was then fixed was not, he submitted, the most acceptable standard for Australia or the best calculated to further the objects of the Admiralty. But the general principle of the basis of contribution ought to be considered first of all, as being the "major premise" of the whole question; and he could not immediately grasp the general principle in Lord Tweedmouth's statement.

Ward trusts the Admiralty.

Sir Joseph Ward would "subscribe absolutely" to the maxim "Trust the Admiralty," and to the postulate "One sea, one Empire, one navy." While anxious to co-operate as far as possible with the

[1] Cf. vol. i. ch. ii.

Commonwealth, he preferred the principle of cash contribution for the present, owing to the financial difficulty of embarking on the larger policy of local naval development. For there were other calls to be met:

> "We have still to keep before us, as a young country, the fact that in the future many millions of money will be required for the country itself to carry out great undertakings that in the Old World have been carried out, many of them, such, for instance, as your railways, by private enterprise." (R., p. 135.)

At the same time he wished it to be understood that New Zealand did not bind herself to the cash method in connection with "any future agreement," though willing now to increase her subsidy. The alternative form of contribution which he would prefer would be that of manning Imperial ships with Colonial crews, paying the whole of them and thereby avoiding the existing difficulty of having two rates of pay for men doing the same work in the same place, which was the position under the Agreement of 1902. He thought also that New Zealand could do something in the way of docks and coaling facilities, having abundant supplies of excellent coal available. There was already a good dock at Auckland, and others were contemplated; but he suggested that it would be a help if the Admiralty would give them an indication of the maximum length of ships likely to require docking in Australasia, so that new docks would not be found to be too short by a few feet simply for want of such preliminary guidance.

Canada "misrepresented."

Mr. Brodeur, the Minister of Marine and Fisheries, spoke for Canada, naval matters being outside the Department of Defence. He protested that Canada was misrepresented in the circulated document, which gave her naval expenditure as *nil*. There was the

Fisheries Protection service, costing about £50,000 a year, and now involving the provision of a new vessel on the Pacific coast, which represented an obligation taken off the British taxpayer. The need for the service arose largely through the ancient treaty,[1] made without Canadian assent, by which American fishermen were given certain rights in Canadian waters. If the cost of fishery protection was included in Britain's naval expenditure, why should it not likewise be admitted in Canada's account? Then the Dominion recognised the need of navally policing the Great Lakes, where it already had an armed boat:

> "I think that three States bordering on the three great lakes, Ohio, Michigan, and Illinois, are spending not less than 15,000,000 dollars themselves for keeping up a navy on these lakes, and are drilling their men on the shores of the lakes. Besides they have some ships which are not armed, because it would be against the conclusions of a treaty;[2] but built in order to be prepared in case of emergency. As far as Canada is concerned, one of the first duties we shall have to look after is our protection in connection with the great lakes. I say that the wars we have had since 1763, since Canada has become part of the British Empire, came from the United States. We had an invasion in 1775, we had an invasion in 1812, and we had the Fenian Raids in the Sixties." (R., p. 140.)

Then there was the Naval Militia, in connection with the Fisheries Protection service, including a cruiser purchased a couple of years since for drilling Canadian seamen. Wireless Telegraphy and the Hydrographic Survey were other services lately undertaken by the Dominion, and involving considerable expenditure, which should be debited to the naval account as was the corresponding ex-

[1] 1818. [2] 1817. See *infra*, p. 179.

penditure in Britain. The Dominion was at any time ready to do the hydrographic surveys for the Admiralty. Finally the Dominion had lately taken over the dockyards at Halifax and Esquimalt, and was prepared to expend on their upkeep as much as the Admiralty had been spending. To be "fair," all these items should be allowed as naval expenditure in the comparisons that were being made.

South African naval enterprise.

Dr. Smartt and Mr. Moor practically spoke for each other in this discussion, the naval ideas of Cape Colony and Natal being very similar and capable of adaptation to a joint scheme. They regarded the abnormal military expenditure to which their Colonies were liable, owing to the large native population, as equivalent in principle to the Canadian expenditure on policing the fisheries, though theirs was much heavier in proportion. But they would not "for one moment desire to raise that as an argument" against meeting the obligation to assist in the direct naval defence of the Empire. They acknowledged that the existing contribution was altogether inadequate. An attempt was being made in both Colonies to create a naval corps, and with a view to arousing enthusiasm they desired permission to designate the force "Royal" Naval Volunteers. Their intention was to introduce legislation whereby the force would be enrolled for service in any part of the world, at the call of the Admiralty. They further desired that in order to provide for practical training—at present it was all done on land, and the Durban corps was practically garrison artillery—the Admiralty should allow them the use of a small ship, the upkeep of which would be defrayed out of the current subsidy. Dr. Smartt (and his colleague) fully agreed also as to the necessity of assisting the Admiralty by pro-

viding submarines, not only for coast defence, but for the service of any squadron that might be sent out. He was sure that "when times improved" the Cape Colony, and he hoped also the inland Colonies in conjunction, would be prepared to increase the naval expenditure which at present only amounted to about 1 per cent. of the Cape revenue, as against 20 per cent. in Britain. He would like the Admiralty to prepare a complete scheme for them by way of a goal towards which they might work gradually as funds permitted. Assistance on the principle of local naval development, including the provision of submarines, "would naturally appeal much more forcibly to the people and give them a stronger individual interest in the fleet than simply a monetary contribution would do."[1] On one point he was able to give the Admiralty a timely hint. Local seamen had told him that the new "Dreadnought" dock which the Admiralty had nearly completed at Simonstown could not be entered in all weathers unless protected by an additional breakwater.

Newfoundland a "struggling community."

Sir Robert Bond insisted that like New Zealand his Colony could not spare much revenue owing to the claims of public works:

> "This is necessarily so, because while the Colony that I represent is not like that of my friend Sir Joseph Ward, a new Colony, for on the contrary it is England's most ancient Colony, still the conditions that apply there at the present time are almost identical with those that have been portrayed by Sir Joseph Ward. The Colony for the most part is an undeveloped one. The expenditure necessary for its development must come from the resources of the Colony. We stand in an exceptional position amongst all other Colonies of the Empire, I think, in that we

[1] R., p. 142.

> have not received any assistance—money assistance, I mean—in the direction of promoting the industries or the development of the Colony." (R., p. 144.)

Despite the Cinderella touch, Sir Robert Bond was able to point to substantial achievement. Under the agreement of 1902 the Naval Reserve, liable for service in any part of the world, had reached a strength of 590 men, and altogether there were some 60,000 of these hardy fishermen in the Colony. Though the Reserve cost the Colony £5 for every man trained, it had been a "very marked success indeed," and the Colony would be willing to double its existing liability on the same basis. He could claim, with even greater force than his Canadian colleague, that the Colony should be credited with a large expenditure on protecting the fisheries against the action of foreigners who enjoyed rights under ancient Imperial treaties. Newfoundland had to police 4000 miles of coast. In addition to the American treaty rights, the French were established at the neighbouring islands of St. Pierre and Miquelon, and their smuggling operations cost the Colony a loss in revenue of over £30,000 a year. Besides, a modern dock had been built at St. John's, and the extensive coalfields of the islands were being developed.

Natal's defence policy.

Mr. Moor reiterated Mr. Smartt's arguments. Through lack of recognition at Imperial headquarters the naval corps was "dying of inanition." It had, however, played a useful part in suppressing the recent native rebellion, which had cost the Colony between £700,000 and £800,000. Their aim was to "provide efficient men and means for being able to govern these people without looking to the Home Government"; but that did not deter them from trying to take a part in naval defence. A policy of local naval development would appeal more to the people than

"a cold lump sum, voted on our estimate, for which we have no actual evidence as directly concerning the people we represent."[1]

Botha's ambition.

General Botha pointed out that the Transvaal was in the unique position of being an entirely inland State. He was "nearly going to say our friends in the Mother Country always kept us well away from the sea." The main thing was to get the South African Colonies federated, at least for defence:

> "What I have in my mind's eye to propose is a system of defence for the whole of South Africa, and if the Parliament of the Mother Country thinks we can aid the Empire in that respect, we shall be prepared to spend a large sum of money for the object." (R., p. 147.)

Britain's need—ships, not men.

Replying[2] on the discussion Lord Tweedmouth threw cold water on the idea that the Colonies might help by contributing men rather than money or facilities of the kind he had indicated. In the Admiralty view the wastage in war would be one of ships rather than men, and the crews of lost or damaged ships would be available for service in others. Another point was that it took six years to train a man properly, and eight years to give an officer a proper start. He thought it necessary to warn the Conference that at present the Admiralty had no difficulty in obtaining men—in fact the supply was six times greater than the demand[3]—a statement which was received with manifest surprise. Also he wished to warn them that in future there would be "greater concentration of ships" than hitherto. But this did not imply any disadvantage in regard to "showing the flag" in Colonial waters, as there would be frequent visits from bigger ships than those which

[1] R., p. 146. [2] R., p. 148. [3] R., p. 471.

had hitherto been kept permanently on the outlying stations. He admitted that the arrangement of dual scales of pay under the Australasian Agreement had not worked well, the Australasians living at a higher rate than their British comrades on board the ship; but he hoped that this might be remedied by adopting a system under which the Australasians would receive in the form of deferred pay the excess over the ordinary rates. Despite the general statement he had made, he thought that "there might be a possibility" of increasing the Reserve in Newfoundland as the Premier of that Colony had suggested.

Results of interviews.

At a later sitting[1] the First Lord was able to announce the results which had been reached by a series of interviews held with the several Colonial Ministers at the Admiralty. The difficulty had been, as anticipated, the great variety in the wants of the various Colonies, but the Admiralty were quite ready to meet the case of each individually. While Australia wished to terminate the Agreement of 1902 and start "something in the way of a local defence force," New Zealand had not made it clear whether she would prefer to continue the subsidy or go in for submarines. The cost of a submarine would be about £50,000 and the total maintenance about £8000 a year. The Admiralty would make provision for training the men, either by receiving them at Home or sending out an instruction crew. As to South Africa, his impression was that "the South African Colonies as a whole would like to have some definite force of their own, either a submarine flotilla or help with regard to their naval volunteers at Cape Town, Port Elizabeth, and in Natal." Such flotillas would fly the white ensign, but with some distinctive mark, *e.g.* the Southern Cross for Australia. There had been "some ex-

[1] R., p. 469 *et seq.*

aggeration," he admitted, in the idea that Canada had been doing nothing for naval defence. He had found the Canadian Ministers "very anxious to extend" the fisheries protection work, and he hoped they might improve the docks at Halifax and Esquimalt. Though there was no "proposition from Canada to make any change at all," her Ministers had announced their desire "to expand the interest in the Navy throughout the Dominion." For practical purposes, therefore, the business before the Conference was to review the situation in regard to the Colonies which were already paying subsidies.

Naval cadetships.

He gave also an interesting explanation[1] of the system of naval cadetships which had been inaugurated after the session of 1902. There were eight reserved for Australia; two for New Zealand; two for the Cape; one for Natal; and two for other Colonies, including Canada, who had not at the time expressed any wish to have any reserved for her. An erroneous impression had become current that these cadetships were to be filled by nomination simply; whereas the actual arrangement was that the lads were nominated for preliminary examination, which they had to pass. Those nominated in the Colonies had not been found up to the Home standard of education, and quite half of them had been rejected. Mr. Deakin remarked that all this was "news" to him, no complaints having reached him.

Australia desires a local navy

All the Premiers cordially acknowledged the readiness which the Admiralty had shown to meet their several wishes. Mr. Deakin stated that the Australasian Naval Agreement of 1902 had not proved "generally popular," but had been accepted pending some more satisfactory arrangement. It failed to suit the Admiralty because the ships provided under

[1] R., pp. 471–2.

it were still to some extent localised; and it failed to suit Australia because it ignored the "local protection" which had been the primary motive for entering into any such arrangement. (The Australians did not care to contemplate having to sit with folded hands while a few raiding cruisers bombarded their seaports and compelled their extensive coastal shipping to lie up in fortified harbours.[1]) Their demand for a change did not arise from any motive of economy, as they would be prepared to face a greatly increased expenditure under the new system. He went on to emphasise the principle of Imperial co-operation:

with Imperial co-operation.

> "I quite realise the wisdom of associating any local force which we may develop in the closest possible manner with the Navy. . . . By association with the Navy we shall be assisted to keep our local vessels, whatever they may be, up to its high standard. We shall not be willing in any way to accept for ourselves any less degree of proficiency than that which His Majesty's Navy enjoys, and by which its reputation has been established. A force, small as ours must be, would enjoy few, if any, opportunities of advancement for officers and men if it were a completely isolated service. On the contrary, it has everything to gain by being kept in the closest possible touch with the Navy, and with all advances as they are being made in Naval tactics or training.
>
> "We recognise this as a further step in the exercise of our self-governing powers, with which are properly attached the responsibilities which can never be dissociated from them. Those responsibilities we have no desire to avoid; on the contrary we shall assume them with confidence in ourselves and in our cause, providing, so far as our means and population permit, a defence of the harbours of Australia which will be an Imperial defence; it will not be the shipping of

[1] Report of Commonwealth Naval Committee on the Imperial Defence Committee's Report. P., p. 50.

> Australia alone that will enjoy the protection of our ships and forts; . . but of course the same protection will be secured by this means for all British shipping and cargoes. The necessary supplies, the necessary coal, either for the mercantile marine or for your vessels of war, will there be under safe shelter and always at hand. Every development of naval force in Australia is a development of the naval forces of the Empire . . . We look upon any vessels for local defence not only as Imperial in the sense of protecting Australia, but because they will be capable of co-operating with any squadron which you may think fit to send into our waters to meet any direct attack in proximity to our coasts. In that way, we ought to be able, with the type of vessel we shall have, when associated with your larger ships, to render extremely effective assistance. And so far from the termination of this agreement in any way concluding our close and intimate relationship with the Imperial Navy in Naval Defence, I hope it will be the means of enabling us to extend Naval development, in very efficient forms, in our own seas, making it of such a character as to be of material assistance." (R., pp. 475–6.)

New Zealand also anxious to co-operate.

Sir Joseph Ward declared that New Zealand was quite satisfied with the principle of the existing naval Agreement; but—since it was a tripartite contract between Australia, New Zealand, and Britain—his Colony would not "play dog in the manger" by refusing to terminate it if the Commonwealth desired to make a change. He regretted that he had failed to elicit from the Admiralty, in their anxiety to avoid any appearance of dictation, any expression of their preference as between subsidy and submarines, which would have guided his judgment. But Lord Tweedmouth again replied that this was not a matter in which the Admiralty could undertake to adjudicate. He would only say that if a local flotilla were to

be started anywhere, it would be "in everybody's interests" that the submarine should have precedence over the destroyer type of vessel.[1]

South Africa satisfied.

Dr. Smartt was jubilant, having obtained from the Admiralty all the assurances he desired. On the passage of suitable legislation in the Colonies, defining the obligations of the men, the force would be allowed the style of Royal Naval Volunteers. A small armed vessel, with a nucleus crew, for the purposes of training would be furnished out of the existing subsidy, though the Admiralty thought that eventually the Colonies concerned should undertake this as an additional charge. Thirdly, the Admiralty would assist them with a scheme for creating a flotilla, whether submarines or destroyers; destroyers being preferable in the Colonial view on account of the larger facilities which these vessels would afford for training. All the contemplated expenditures would be chargeable against the existing subsidy of £85,000 paid by Cape Colony and Natal.

Canada against contribution.

On behalf of Canada Mr. Brodeur expressed satisfaction that Lord Tweedmouth had recognised the injustice of the current notion that the Dominion was doing nothing for naval defence. As to direct contribution in any form to the Navy, there was in Canada "only one mind" on that question. He cited Sir Charles Tupper, who in a recent article had argued strongly that the true interests of the Empire were "opposed to the demand for Colonial contributions to the Imperial Navy"; and that Canada had been discharging that duty "in the manner most conducive to Imperial interests" by undertaking the fisheries protection service and relieving the Home taxpayer of responsibility for Halifax and Esquimalt, which, he stated, had been costing the Admiralty

[1] R., p. 482.

£185,000 per annum.[1] In conclusion, said Mr. Brodeur, Canada would be "very glad to work in co-operation with the Imperial authorities, and under the advice of an Imperial officer, so far as it is consistent with self-government." (R., p. 481.)

Smartt's naval resolution

The subject was resumed for a short space at a third sitting later on, when Dr. Smartt (C.C.) desired to move the following resolution:

> "That this Conference, recognising the vast importance of the services rendered by the Navy to the defence of the Empire and the protection of its trade, and the paramount importance of continuing to maintain the Navy in the highest possible state of efficiency, considers it to be the duty of the Dominions beyond the Seas to make such contribution towards the upkeep of the Navy as may be determined by their local legislatures—the contribution to take the form of a grant of money, the establishment of local naval defence, or such other services, in such manner as may be decided upon after consultation with the Admiralty, and as would best accord with their varying circumstances." (R., p. 541.)

opposed by Laurier,

Sir Wilfrid Laurier's reply is worth quoting in full, in view of the subsequent naval agitation in 1909:

> "I am sorry to say, so far as Canada is concerned, we cannot agree to the resolution. We took the ground many years ago that we had enough to do in that respect in our country before committing ourselves to a general claim. The Government of Canada

[1] Questioned in the Canadian House of Commons (Dec. 12 and 17, 1906), Sir Frederick Borden stated that the estimated cost of the two garrisons for maintenance of and repairs to fortifications, buildings, &c., was: Halifax, $25,000 per annum; Esquimalt, $10,000 per annum, or about £7000 for the two places. The total amount expended in connection with them by the department of Militia and Defence since taking them over was, from June 30, 1904, to Oct. 31, 1906: Halifax, $982,468; Esquimalt, $161,209; total $1,143,677, or about £228,740, being at the rate of about £123,745 a year.

> has done a great deal in that respect. Our action was not understood, but I was glad to see that the first Lord of the Admiralty admitted we had done much more than he was aware of. It is impossible, in my humble opinion, to have a uniform policy in this matter, the disproportion is too great between the Mother Country and the Colonies. We have too much to do otherwise; in the Mother Country, you must remember, they have no expenses to incur with regard to public works; whereas in most of the Colonies, certainly in Canada, we have to tax ourselves to the utmost of our resources in the development of our country, and we could not contribute, or undertake to do more than we are doing in that way. For my part, if the motion were pressed to a conclusion, I should have to vote against it." (R., p. 542.)

and dropped.

Dr. Smartt was entirely unconvinced by the Canadian Premier's argument. The public works referred to were, he pointed out, generally of a reproductive character, calculated to open up the country. He had carefully worded his draft resolution so as to cover any form of contribution, including those services in the nature of local defence which he had understood the Canadian Ministers to approve in principle. He wanted something more from the Conference than the "pious affirmation" of which they had had so much. But Sir Wilfrid Laurier's reply was brief: "I have said all I have to say on the subject." No other Member objected to the suggested resolution; but since it could not be passed unanimously, they agreed that it had better be dropped.

The "struggling community" argument

Thus it was reserved for the Canadian Prime Minister to fall back upon a plea which belongs distinctively to the Colonial rather than to the national phase of political development, and which seems to have been felt by all who heard him to be both unconvincing and incongruous with the seniority of the

Dominion. As he himself had indicated, the struggling-community argument against defensive preparations was common to all sections of the Canadian people "many years ago." But the whole significance of more recent years had been the evolution of Canada from colony to nation, implying a fuller recognition of national responsibilities. In the earlier stages of the discussion Mr. Brodeur had refrained from reviving the formerly popular argument of Canadian statesmen that works of development—notably the Canadian-Pacific Railway, which had opened an alternative line of communication with India—were equivalent to direct military and naval preparations as a contribution to Imperial defence; but in the end that familiar ground was reoccupied by Sir Wilfrid Laurier. Englishmen have, naturally, never been able to sympathise with the theory that effective provision for national defence is a matter to be postponed to a millennium—which the Premier of Newfoundland had intimated[1] was no nearer after four hundred years—when the community would require no more "public works." According to that old Colonial view Britain's vast expenditure on the Navy and Army was a luxury which she would have found it necessary and easy to curtail had there been any conflicting demands for expenditure on "development." To most Englishmen no suggestion could be more fantastic. They are painfully conscious of being confronted with an urgent need for heavy expenditure on various purposes classed as social reform; a need which is the penalty of an ancient country as contrasted with a new one, and demanding an annual outlay probably not less heavy, but certainly much less directly reproductive than the expenditure necessary for opening up the virgin resources of younger countries. From

based on a fallacy.

[1] *Supra*, p. 162.

the sense of that need have arisen the alternative policies for meeting it; on the one hand the agitation for a progressive reduction of the navy estimates, and on the other the conception of an Imperial union for distributing the inevitable burden over a larger number of shoulders so as to make it lighter for each unit than it would ultimately have to become if they were severally isolated. Conflicting as may appear to be the respective philosophies of the "little-navyites" and the Imperial-unionists, both schools subscribe the belief that the continual growth of the defence estimates is an obstacle to providing on an adequate scale the funds which are urgently required, not for the exhilarating work of developing untouched national assets at a handsome rate of profit, but for the wholesale re-planning of unhealthy cities, the resuscitation of a neglected agriculture, the modernising of national highways, and, generally, the renewal of an ancient economic and social structure which cannot be neglected without danger of catastrophe. Surely the time had already gone by, in 1907, for statesmen of the leading Dominion to suggest that the British people were spending annually on the Navy not less than £33,000,000, already a fifth of their total revenue, merely because they did not know what else to do with their money rather than because the power of effective defence is for every country the sole effective guarantee of national security.

Laurier's political difficulty.

Canadian events in 1909, following Sir Edward Grey's startling speech on the international situation, were destined to show that in 1907 Sir Wilfrid Laurier had not spoken for all sections of the Canadian people, but also to demonstrate the insight with which he had appraised the factors of a political situation. It then became apparent once more that French-Canadian

tribalism, under the rising and formidable leadership of Mr. Henri Bourassa, was opposed to naval expenditure in any shape whatsoever; and that the new foreign element in the west, not sharing the antagonism of Canadian national sentiment to the idea of dependence on the United States, was inclined to support Quebec in this matter. Assuming that Sir Wilfrid Laurier, as a party leader, felt unable to risk a further alienation of those considerable sections, it becomes easy to understand his negative attitude at the Conference and the difficulty in which it placed him there. Faced with the necessity of defending that attitude, the only alternatives open to him were either to pretend that the extent of Canada's naval enterprise had been misunderstood, or to fall back upon the less dignified plea of the old colonialism and ask sympathy for a struggling community. Had it not been for the final pressure of the Cape resolution, he would have succeeded in avoiding the second alternative, which may well have appeared the harsher horn of the dilemma.

The nationalist standpoint.

But had he felt free to approach the question from the Canadian nationalist standpoint which he was accustomed to profess, Sir Wilfrid Laurier might have found in the demand of the Admiralty for continuous control a sufficient reason for refusing to associate the Dominion with their official British policy. That line of objection would not, however, have met his actual difficulty, because it would not have afforded a reason for doing nothing at all. A nationalist policy would recognise the importance of creating a fleet unit, capable of acting effectively in whatever international combination might appear to be the best available for safeguarding the interests of the country with the least sacrifice of independence; isolation being admittedly impracticable for Canada. The choice

before the Dominion was, and remains, that between an Imperial and an American alliance. In either case the necessity would be the same of undertaking a policy of naval development, unless the country were prepared to accept a nominal equality of status concealing, for a time perhaps, the reality of subordination. There was, however, a more general reason for the apparent tardiness of the Dominion to recognise the situation. Apart from the exigencies of the balance of power in the federal politics of the Dominion, the influence of the neighbouring nation on Canadian thought can never be lost sight of. Up to the time of the war with Spain, which was less than ten years before 1907, the Americans had clung tenaciously to the theory that naval power was unnecessary to them; not because they regarded the reign of force as an international fallacy or aberration, but simply because their continental position seemed to render them sufficiently secure. That comfortable doctrine would probably have been doomed by the growth of national interest in the question of export markets; even if the acquisition of oversea dependencies had not dissipated it at once. The United States had now entered definitely on a policy of naval expansion, in which Canada would be required sooner or later to participate fully if committed to the Republic in a continental alliance. But the influence of the century-old American doctrine of the superfluity of naval defence had permeated the Canadian people, and could hardly be shaken off in a moment unless by some such sudden and decisive experience as overtook the Americans. In going back to Canada with the record of having declined to countenance any positive policy of naval development Sir Wilfrid Laurier may, after all, have justified his claim to speak for the country as a whole.

American influence on Canadian thought.

The Imperialist standpoint.

Nor, from the Imperialist standpoint, should the negative attitude of the Dominion at this session be regarded off-hand as a set-back to the movement towards closer union. Logically, and also as a matter of expediency, union for defence follows rather than precedes union in regard to those primary interests for which defence is required. The refusal of Imperial Reciprocity by the British Government was a refusal to adopt measures for trying to ensure a perpetual community of vital interest, as between the nations who it was suggested should combine in perpetuity for naval defence. This, again, might be no justification for any reluctance on the part of Canada to enter on a policy of national naval development. But it would be an entirely adequate reason, considering the manifest choice of destinies open to her, for refusing to hasten with the policy of Imperial alliance. If that delay served at all to direct public attention—which otherwise might have been blinded by the bolder attitude of the other Dominions—to the law of nature which is fundamental in the science of State-making, the part played by Sir Wilfrid Laurier in this session was as useful to the Imperial cause as that played by any other member.

Australia leading.

In the public eye the traditional hegemony of the Imperial movement had passed from the Dominion to the Commonwealth. Certainly, Mr. Deakin had exemplified in the naval discussion, as in his treatment of the constitutional question, the spirit of a constructive statesmanship both national and Imperial. Whether conscious or not of the possible difficulties in store for those who might undertake to adopt the Admiralty's suggestions as a starting-point for the development of naval alliance, he was not deterred from going boldly forward to meet those difficulties

should they really arise. It is only thus, and not by refusing to move until all possible contingencies have been probed, that progress is possible in the path of closer union. But the Australian statesman who had attended the original Conference in 1887 left the meeting in 1907 without having come any nearer to a solution of the primary difficulty on which he had again fastened after an interval of twenty years. Granting that it is desirable to develop a joint naval defence for the Empire, whether the principle be Colonial Dependence or Imperial Partnership, what is to be the standard of contribution? That question, insoluble in 1887, is insoluble still. Yet the problem is, perhaps, somewhat simpler than it was. If Imperial Partnership is now accepted as the system to aim at, the national autonomy which it postulates prohibits the idea of any assessment being made by any authority other than that of each Government for itself. The utmost the Imperial Conference could ever do would be to lay down some standard and leave the Governments severally to decide how far they would conform to it. But what standard can be suggested? As Mr. Deakin observed,[1] and as the first session of the Conference had long ago sufficed to demonstrate, none of the conventional standards—population, commerce, or the like—could be applied with a "fair" result as between the component units of the British Empire.

Question of the standard of contribution.

To fall back on an abstract instead of a concrete standard, a principle admitting of general acceptance may perhaps be found in "equality of sacrifice." That standard would at least admit the distinction which all the Dominion representatives instinctively draw, though they do not always assign it to the right origin, between the taxable capacity of Britain

"Equality of sacrifice" a standard

[1] *Supra*, p. 158.

on the one hand, and of the Dominions themselves on the other. It seems to be true that, despite its uniquely large proportion of people living "on the verge of hunger," the taxable capacity of Britain per head is much greater than that of the Dominions. If so, the difference is not due to the alleged but quite fallacious immunity of Britain from the necessity of large expenditure upon public works. It arises rather from the circumstance of a vast accumulation of capital, implying a relatively large number of relatively large private incomes derived from invested funds. The now recognised and popular distinction between "earned" and "unearned" income seems to have an analogy in national revenues, and to affect the application of the principle "equality of sacrifice" as between the Old Country and the younger partners. In a general sense the exchequer of the United Kingdom may be said to receive the largest proportion of "unearned" revenue, *viz.* that which is yielded by the Death Duties, the higher rates of Income Tax, and the Customs Duties on a very narrow range of luxuries which might be greatly extended. On the other hand, the revenues of the Dominions are mainly "earned," in so far as they are derived from salaried and wage-earning classes, and as such they would equitably contribute at a relatively lower rate to objects of joint Imperial concern.

recognising "earned and unearned" Revenue.

The future alone can show whether in practice a system of Imperial Partnership for defence, satisfactory to all the units of the Imperial Conference, can be framed and operated on an agreed basis of equality of sacrifice; or whether no expedient short of Imperial Federation can solve the problem. In either connection the revenue derivable from an Imperial system of preferential tariffs—which would be administered in the one case severally and in the

Defence and Preference connected.

other case federally—seems still to offer the most hopeful line of investigation and policy. Not only is Customs revenue the easiest to obtain under the prevalent economic conditions of the Empire as a whole, but the system of mutual preference in trade recognises and affirms the principle of economic interdependence which is presupposed in any policy of permanent union for defence. On the part of communities trying to grope towards organic union a deliberate divorce between trade and defence is an elementary and disastrous blunder.

WARSHIPS ON THE GREAT LAKES

THE following were the provisions of the Rush-Bagot Treaty of 1817, which does not appear to be given in Hertslet's *Treaties* or textually in any of the Canadian histories:

> "That the Naval Force to be maintained upon the American Lakes by His Majesty and the Government of the United States shall henceforth be confined to the following vessels on each side, that is—
>
> "On Lake Ontario to one vessel not exceeding one hundred tons burthen, and armed with one eighteen-pound cannon.
>
> "On the Upper Lakes to two vessels not exceeding like burthen each and armed with like force.
>
> "On the waters of Lake Champlain to one vessel not exceeding like burthen and armed with like force."

It was further agreed that "all other armed vessels on these Lakes shall be forthwith dismantled, and that no other vessels of war shall be there built or armed"; and that, "if either party shall hereafter be desirous of annulling this Stipulation, and should give notice to that effect to the other Party, it shall cease to be binding after the expiration of six months from the date of such notice." Finally, "the naval force so to be limited shall be restricted to such services as will in no respect interfere with the proper duties of the armed vessels of the other Party." (Foreign Office, Treaties Protocols $\frac{59}{9**}$.)

Lately Sir Wilfrid Laurier was reported (*Times*, April 11th, 1911) to have stated in reply to questions in the Canadian Parliament that there are now six United States "training vessels" on the Great Lakes; of which one is armed with 16 guns, two with 14 guns each, and the others with from 4 to 10 guns each. It is reported also that no less than nine armed vessels are to take part in manœuvres on the Lakes, some of them being passed through the Canadian canals by permission of the Canadian Government.

CHAPTER XIII

PREFERENCE—THE BANGED DOOR[1]

"To us it appears that henceforth the individual will become more and more dependent upon the social and national structure in which he finds a place. It makes all the difference whether you are grains of sand or the same grains compacted into solid rock. Anything that encourages the development of Imperial organisation, which, without limiting the self-governing powers of the several parts, or unduly trespassing on the individual liberty of the citizen, shall compact them together in co-operative relations, for the discharge of social duties, political obligations, and industrial efforts—every possible increase in co-operation—marks a higher stage in civilisation, giving greater opportunities to the individual and greater strength to the nation. That is a political gospel." (Mr. DEAKIN *at the beginning of the Preference debate. R., p.* 238.)

"Is our party system to destroy everything except itself? Are we to put aside great projects because they are debatable, or close the Empire to avoid friction in the House of Commons?" (Mr. DEAKIN *at the end of the Preference debate. R., p.* 418.)

First intrusion of "party."

THE great debate on Preference at the session of 1907 affords the first example in the history of the Conference of any subject for discussion being treated by any of the speakers in a "party" spirit. This unhappy but transient innovation—transient because the conditions which produced it were of a transitory kind—arose inevitably out of contemporary circumstances. Except in Britain where public opinion and parties were still divided on the question, Imperial Reciprocity was an agreed policy throughout the

Preference a non-party question in Dominions,

[1] Mr. Churchill boasted at Edinburgh on May 18th, after the end of the Conference, that the Government had "banged, barred, and bolted" the door on Imperial Reciprocity, and declared that they "would not concede one inch, they would not give one farthing preference on a single peppercorn." (*Morning Post*, May 20, 1907.)

Empire. The motion to reaffirm in its entirety the leading Resolution of 1902, which advocated the principle of mutual Preference, was supported by all the Dominions at the session of 1907. Among their representatives were Sir Robert Bond (Newfoundland), though he was still striving for the Hay-Bond convention which would have prohibited Imperial Preference; and also General Botha (Transvaal), whose subsequent action was destined to justify Dr. Jameson's warning that one-sided Preference had no assured future in South Africa. As regards the Dominions, therefore, Imperial Reciprocity was an agreed policy, though in most of them there was—as several spokesmen indicated [1]—a vocal minority against an indefinite continuance of one-sided Preference.

but not in Britain.

Very different was the position of Liberal Ministers in Britain. Their party, previously moribund, had suddenly been stimulated into new life by the heaven-sent elixir of the "little loaf." To avoid the too palpable absurdity of trying to argue that a duty of 2s. a quarter on foreign corn would mean starvation, they had been constrained to invoke the "thin edge of the wedge," and in the name of that doctrine of timidity to pledge themselves absolutely against countenancing the smallest departure, no matter how trivial in itself, from the principles of the existing fiscal system, one of which was that no differentiation should ever be allowed in favour of British as against foreign traders. For all practical purposes the "fetish" or "superstition" of mis-called Free Trade had never before received so abject a recognition. Having rushed too hastily into that narrow and ultimately fatal cul-de-sac, the Liberals as a party had no choice but to remain there. To make any concession, however

Free Trade a party fetish.

[1] Cf. *infra*, p. 215.

slight, to Preference would afford the country a practical experience of Imperial Reciprocity, which would thus have been established in principle; and would inevitably create a demand for a wider application of a system thus tried and found good. Given the small experiment, it would be found that food was not dearer, and that the Colonial demand for British goods was increasing. So the "cry" which had brought the Liberals into office, and on which alone they could rely to keep them there, would be at once discredited. Their pledge to the Fetish would become a political millstone, submerging them at every general election until they could make up their minds to cast it off by repudiation.

Cosmopolitanism *v.* Imperialism.

If as party men the Liberal Ministers were thus manacled to the Fetish, as statesmen they were, for the time being, absorbed in a special policy of internationalism, based on disarmament, which in their view offered an alternative and preferable method to that of Imperial union for securing the primary interests of the British Islands. Thus they had no practical interest of any kind in the Conference, except in so far as its session would for a time rivet public attention, and might give the other party a handle against them unless they could contrive somehow to turn it to their own account. The situation, when the subject of Preference was reached, was quite different from that which had confronted them in connection with the discussions on the Constitution and on Defence. In relation to those matters it was not their party interests so much as their credulous internationalism, rendering them apathetic towards the Imperial movement generally, that had damped the prospects of this session. The proposal to equip the Conference with a secretarial staff of its own, which would represent all the associated Governments

equally, had nothing in it to antagonise anything that could be called Liberal principle. On the contrary it was intrinsically the kind of proposal, tending further to emancipate the Colonies from restriction or tutelage, that a Liberal Government having any sense of interest in the matter might have been expected to take up with some enthusiasm, and to defend against official strangulation. In the same way there was nothing on the score of Liberal principle, but rather the reverse, to prevent the Government from taking up that question of control which had been obscured in the Admiralty's statement of policy, and settling it in a manner conformable with the idea of national autonomy in Imperial alliance. That, again, would have been not only a public service but a vindication of Liberal principle, had the motive to action not been lost in the superior attractiveness of cosmopolitanism. But at once, when the subject of Preference came up, apathy gave way to feverish anxiety, the anxiety of politicians whose party interests are threatened.

Character of speeches on Preference.

No deep study of political affairs in any of the British democracies is necessary in order to distinguish by their respective utterances the politician dominated by the party game and the statesman who, whatever may be his party affiliations, is able to consider on its intrinsic merits a proposal put forward by friends of his country as being important to its future welfare. In the discussion now under review—which, owing to the party feature, more nearly than any other resembled a parliamentary debate—the opening speeches of the leading statesmen from the Dominions were all alike characterised by an inspiring breadth of view, manifest intensity of conviction, and spontaneous logic in the development of their argument. In contrast to them, the

replies of Liberal Ministers and their subordinates were not essentially different in character from the ordinary performances of a party duel, with all the vices fostered by the atmosphere and exigencies of that arena. Mr. Asquith, then Chancellor of the Exchequer, showed to the worst advantage (though rivalled by Mr. Churchill), his tone being always petulant and sometimes snappish. His main address was the typical pleading of a political lawyer with a difficult case to defend against common-sense. Taking it in conjunction with the speeches of his colleagues, the combined statement of the Government resolved itself into a series of positions which were not only negative but mutually destructive. As such it lent itself to easy (and therefore irritating) demolition at the hands of those whose proposals were thus "turned down," and who themselves were no novices at parliamentary play.

Party aims of British Ministers.

Inevitably, under such conditions, the session of 1907 was attended with friction both within and without the chamber. The British Ministers seem to have come there with the idea of extracting from the Dominion representatives some justification for certain campaign statements which had been made on Liberal platforms throughout the country. For example, the Liberals were committed to the general proposition that, if one section in the mother country did not like the idea of Reciprocity, that policy must be bad for closer Imperial union. Another and more detailed contention had been that Britain could not give preference without putting a duty on raw materials, particularly raw wool, which the Tariff Reformers had always denied was necessary to or included in their policy. Having made the assertion over and over again, Mr. Asquith seems to have relied on his forensic ingenuity to extort some kind of endorsement

Asquith misrepresents Colonial Ministers.

for it at the Conference. But his complete failure to do so, after employing every artifice, did not deter him from taking advantage of the postponement of the Report to imply in a public speech that he had succeeded; thereby provoking an immediate and painful castigation from a straightforward Australian Minister.[1] Another flagrant example of Mr. Asquith's political unscrupulousness was given some years later, when the contents of the full report of the Conference might be supposed to have passed out of the public mind. He had the audacity to declare that Mr. Deakin alone of all the Premiers had refused to concede to the mother country the same fiscal liberty which the Dominions enjoyed; the truth being that Mr. Deakin had, on the contrary, been foremost in asserting that very principle. Further on in this chapter the Australian Premier's unequivocal declarations will be quoted. Here it will suffice, by way of substantiating the statement that the attitude of the Liberal Government has throughout been purely partisan in the worst sense, to contrast Mr. Asquith's ample acknowledgment at the time of Mr. Deakin's position with his diametrically opposite statement a few years later:

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[1] Addressing the London Chamber of Commerce Sir William Lyne said: "It has been frequently stated, or rather mis-stated, that the Colonies demanded from Great Britain a duty on raw materials. This had been repeatedly and consistently denied by the representatives of the Colonies, but only as lately as Tuesday night Mr. Asquith repeated in the House of Commons the statement that 'you cannot give a Preference unless you impose a duty on foreign food-stuffs and foreign raw materials. There is no way under heaven by which the thing can be done except that.' After the declarations of the various Colonial Ministers that they did not ask for any Preference on raw materials, such as wool, cotton, &c., he was extremely surprised to find the Chancellor of the Exchequer again making this assertion. A great manufacturing country such as Great Britain would be mad to impose a tax on raw materials from which she manufactured her goods for export. Such a thing had not been suggested by the Colonial representatives, and it created a very bad impression to find a member of the Government repeating this fiction." (*Morning Post*, May 16, 1907.)

"Sir Wilfrid Laurier has often said, I know . . . that in this matter (Imperial Preference) each community of the Empire must primarily pay regard to the interests of its own members, and *I was very glad to hear that statement reiterated with great emphasis and explicitness by Mr. Deakin more than once in the course of his speech. There we are all agreed.*" (R., p. 305.)

"I listened to the whole of the debate most carefully at the Colonial Conference of 1907, and I think that, *with the exception of Mr. Deakin*, I am right in saying that every one of the eminent Colonial statesmen who appeared, representing their own Dominions, was most careful to make it clear that he did not desire to initiate or even suggest any change in our own fiscal arrangements which was not for the interest of our population." (House of Commons. *Times*, July 21, 1910.)

Partisan hatred of Deakin.

The circumstance that the British Prime Minister waited to commit this inexcusable misrepresentation until after the defeat of Mr. Deakin's party at the Commonwealth polls, when the Australian ex-Premier would no longer be able to protest against it officially, seems to illustrate the intensity of the partisan hatred which he had incurred in British Liberal quarters. Mr. Deakin's most prejudiced opponents had not failed to recognise how powerful, and how stimulating to British Imperial-unionists, had been his presentation at this Conference of the case for mutual Preference. But it was not on his own initiative that he opened the discussion, although the principal Resolution on the agenda was that which the Commonwealth had sent in. Called upon by the chairman to begin, he deferred to the seniority of Sir Wilfrid Laurier.

Laurier opens discussion.

The Canadian Prime Minister had very little to say—his Government had submitted no advance resolutions at all—but that little was very much to the point and wholly constructive. Having read out the five-section Resolution of 1902, he stated that the Canadian Government adhered thereto, and had no other to propose. In due course he would

move that it should be re-adopted. Australia, he noted, was proposing to reaffirm only the first three sections, substituting for the rest a new Resolution which hardly seemed to differ in intention.

Deakin's most-favoured-nation clause.

Mr. Deakin at once explained the purpose of the alteration. The 1902 section which asked for preference in the United Kingdom, "either by exemption from or reduction of" duties, did not cover all the methods of the existing Colonial preferences.[1] Wishing to suggest a wider policy than that of the old Resolution, he had drafted the following:

> "That it is desirable that the preferential treatment accorded by the Colonies to the products and manufactures of the United Kingdom be also granted to the products and manufactures of other self-governing Colonies."
>
> "That it is desirable that the United Kingdom grant preferential treatment to the products and manufactures of the Colonies." (Cd. 3337, p. 6.)

It will be seen that while the last section of this new resolution did, as Sir Wilfrid Laurier had remarked, practically duplicate the intention of the old one, the first section affirmed a new principle of far-reaching importance. It proposed what might be clumsily described as an inter-Imperial most-favoured-nation clause. In terms this was limited to an inter-Dominion arrangement, presumably because it would have been premature to suggest reciprocal adhesion on the part of Britain until that country had adopted the principle of Preference. But there can be little doubt that any protectionist Government in Britain would readily agree to an arrangement under which any preference obtained by any one State from any other within the Empire

Empire system of "most-favoured-nation"

[1] *Inter alia*, there was the method of giving Preference by raising the scale of duties on foreign goods.

should be automatically extended to the like products of all the others. This would certainly simplify the working of Imperial Reciprocity. Each Dominion would naturally seek to get preference in Britain on those products in which it was particularly interested; *e.g.* Canada on wheat and flour; Australia and New Zealand on dairy produce and meat; South Africa on wine and tobacco. But the principal products of any Dominion are, generally speaking, either principal or secondary products of others also; so that concessions obtained by the stronger Dominions through the superior bargaining power of their home markets would redound to the advantage of the rest, and inter-Imperial jealousies would be avoided. The British tariff would then be uniform for all, and so would the tariffs of the Dominions, which have contained in some cases differential rates as between countries within the Empire in consequence of intercolonial preferences.[1] Under Mr. Deakin's resolution, India and the Crown Colonies would be excluded from the benefit of the intercolonial most-favoured-nation system, it having specified "other self-governing" Colonies only. As the Cape representatives pointed out,[2] they did not see why they should accede to the request of the India Office to extend their preference to India so long as that country was forbidden by Britain's fetish to reciprocate; especially when there was reason to think that the Indian Government (*i.e.* the India Office in London) were misrepresenting the instinct of the Indian people in this matter.

endorsed by Laurier,

Sir Wilfrid Laurier was heartily in favour of the proposal embodied in the Australian resolution:

"I should subscribe with both hands to this, and

[1] This was one of the features to which Lord Ripon objected in advance. *Cf.* vol. i. pp. 234–35.

[2] R., p. 345.

on behalf of the Government I represent here, and the people of Canada, I would be prepared to enter into an absolute arrangement. Any preference which we give to the Motherland we will give you (Australia), expecting that any preference you give to the Motherland you will also give us, and with Sir Joseph Ward's Government and the other Governments we will do the same." (R., p. 413.)

but dropped by chairman.

But the Canadian Premier desired to make some slight modification in the draft, apparently[1] with a view to excluding from the scope of the proposed arrangement any Colony (*e.g.* Newfoundland) that did not give Preference to Britain. The result of this delay was that the motion seems never to have been put at all. The chairman, representing a purely obstructionist Government, was not likely to bother himself about it, and the omission on his part seems to have passed unnoticed by the others. Despite an apparent unanimity in its favour, the Resolution does not figure in the official list of those passed.

Deakin's great address.

Mr. Deakin's opening address occupied the whole of the eighth sitting of the session, and extended far into the next. It was indeed a masterly speech, especially when one remembers the almost intolerable pressure of outside engagements to which the Premiers were unwisely subjected by their well-meaning hosts, and the fact that it was made from notes only. More than one of the subsequent speakers excused himself from dealing at any length with the subject on the ground that Mr. Deakin had so fully and faithfully expressed the general view. Excepting the British Ministers, none had any criticism to make of the way in which he had presented the case for Preference and Reciprocity. Justice

[1] R., p. 429.

could not be done to the speech within the present limits of space. All that can here be attempted is to notice separately some of the main points of principle and detail on which he and others laid stress.

Persistence of Preference

He began appropriately by drawing attention to the fact that from the very beginning, in 1887, this question of Preferential Trade had dominated the interest of the Conference from one meeting to another. The culmination had been reached in the present meeting, which had been summoned in the first instance for the express purpose of dealing with the subject. In 1904 Mr. Balfour, then Prime Minister of Britain, had received a deputation of gentlemen anxious to secure the discussion of defence questions at the next session of the Conference. While assuring them that the Conference would not be restricted to any one subject, Mr. Balfour had referred to the fiscal controversy as creating an "absolute necessity" for summoning it.[1]

based on national autonomy.

As to the method of Preference, one fundamental principle on which Mr. Deakin repeatedly insisted—and properly, since the British Free Traders had been trying hard to work up a bogey on the contrary assumption—was that mutual Preference could not preclude or threaten the liberty of each autonomous State to frame its own tariff for itself and primarily to suit its domestic interests. Thus the fear of inter-Imperial friction was groundless. The idea in all forms of trade was mutual advantage. Exchange of Preferences should be no exception to that rule, but should be as easily compatible with mutual goodwill as any other kind of barter:

[1] Perhaps Mr. Balfour was unaware of the 1902 Resolution recommending regular quadrennial Conferences.

"It must yield mutual advantage, and of the value of that advantage each party must be the judge.

"*Mr. Asquith*—I entirely assent to that proposition, if I may say so. It admirably states the case.

"*Mr. Deakin*—That is why the goodwill cannot be disturbed. It must always be admitted that each of the parties to the bargain must be the best judge of its own gain. We may have a strong and clear opinion as to how the other bargainer should proceed, in his own interests, but after all that is his affair. We may regret that we cannot do the business, but necessarily we must in every case bow to his decision." (R., p. 235.)

He did not pretend that the Commonwealth would not be glad to have a preference on raw material as well as food; but the question of what articles should be dutiable in Britain, or what the rates of duty should be, was not one in which Australia could claim any voice:

National interests first, Imperial Preference next.

"It ought to be clearly understood that . . . when the outer Dominions suggest a preference they not only believe that you should have the opportunity of profit, but also that in considering any proposal for preference to them, the first obligation upon every British Parliament is to consider its own citizens, its own industries, and its own advantage first. So far as you might think right to exclude us and every one else from your own markets in order to maintain, or retain, or extend any kind of production or interest of your own, it would be impossible for us to raise one word of complaint. That is entirely a matter for the discretion of the people and the Parliament of the United Kingdom. May I be forgiven for even mentioning this truism, because it occasionally is inferred that the attitude we adopt is of another character—that we are looking for some sort of eleemosynary aid which is to be given in consideration of our youth and inexperience. We may be youthful, but in this matter we are fairly experienced. In our own Tariffs we distinctly study our own interests, and hold that the same duty rests as

seriously upon the Government and representatives of the people of this country as it does upon us. We approach this question of Preference with that preliminary admission, it ought not to be necessary to mention it, that of course our proposal is made, admitting that, first of all, you should consider your own industries, your own production and your own people, and impose whatever duties you think fit in regard to them.[1] Only after that should you undertake to go further and enter upon the question of Preference, when you see it to be to your advantage to do so. I use the word "advantage" in that last connection as going perhaps beyond pounds, shillings, and pence either in the matter of revenue received or preference conceded. If the result of granting a preference is, for instance, to largely build up the Dominions beyond the Seas, it should be remembered that they were, are, and are likely to remain the best customers[2] of this country. Consequently you have a direct trade interest in multiplying their population and increasing their consuming power by means of preferences. The question of preference comes in only after you have considered your own interests, your own social system, your own financial system, your own industrial system, and whatever else you think fit to take into account." (R., pp. 235–6.)

"The Commonwealth postulates your absolute independence in the judgment you are to exercise. We are not pleading for something which is to involve sacrifices, but for a co-operation which is to be mutually beneficial." (R., p. 258.)

"Preference begins as a business operation to be conducted for business ends." (R., p. 263.)

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[1] Thus the 1902 Resolution suggested Preference by "reduction of" duties in the United Kingdom as an alternative to "exemption from."

[2] New Zealanders purchased per head (1905) £7 5 0 of British exports.

South Africans (C.C.)	„	„	„	4	5	0	„	„
Australians	„	„	„	4	4	0	„	„
Canadians	„	„	„	2	2	0	„	„
Germans	„	„	„	0	13	5	„	
Americans	„	„	„	0	5	9	„	„

No "substitute" for Preference which is a comprehensive policy.

In some quarters there had been allusions to the possibility of finding in other forms of co-operation a "substitute" for Preference, and the same idea was destined to be put forward by the British Ministers when, for a very brief space, the consciousness of the sorry figure they were cutting impelled them to think that perhaps they should try to do something or other. Mr. Deakin put the idea into its right place. "Preferential tariffs are only part of the policy of preferential trade."[1] The notion of "substitute" in this context is a fallacy. Preference is one among a number of different ways of co-operation which by nature are not alternatives to each other but are mutually complementary.[2] To discuss cables, steamships, emigration, and the like does not mean finding a substitute for preferential trade. On the contrary, though improved facilities of communication by telegraph and steamship, and more system in emigration are each in itself most desirable objects for joint effort, they are both singly and collectively largely dependent on preference in trade. Given preferential trade there would be more business for the cables, more freights and passengers for the steamships, greater inducements for British emigrants to settle in the Dominions rather than in foreign countries. Conversely, better means of communication and systematic direction of British man-power to British lands mean greater success for preferential trade. These things dovetail, instead of being exchangeable pieces. To discuss the subsidiary methods of co-operation would in any case be desirable and profitable; but to approach them by ruling out preferential trade is to mutilate their potentialities at the outset and to weaken the motive for undertaking them at all.

[1] R., pp. 387, 426.

[2] R., pp. 238, 263.

Preference does not exclude foreign trade,

Opponents of Imperial Reciprocity sometimes pretend that the intention of that policy is to cut the Empire off from trade with foreign countries. A very different intention appears in the views expounded by Colonial statesmen. It will be remembered that before the Ottawa session Canada, then under a Conservative Government, made it quite clear that she desired an all-round extension of markets,[1] and to that policy she has since adhered. That policy is not incompatible with Imperial Reciprocity, nor antagonistic to it so long as Reciprocity within the Empire precedes Reciprocity with foreign countries, instead of the order being reversed. Obviously any commercial agreement is a condition limiting those which follow during its currency. No country can make treaties, either within the Empire or outside it, without limiting its future freedom of action. The practical question is: Shall the Imperial trade system be conditioned and limited by the network of foreign treaties, or shall foreign treaties be conditioned and limited by the network of inter-Imperial arrangements? You cannot have it both ways, but you are free to make your choice. Originally Imperial Preference was subject to pre-existing foreign treaties, to the extent of being nullified by them. Canada, when she led the way, found herself unable to confine her preferential tariff to the British Empire unless the British treaties with Germany and Belgium were denounced. Denounced they were; and at length by this practical action it had been recognised in Downing Street that hereafter foreign treaties must be subject to Imperial Preference. But the step from Preference to Reciprocity within the Empire has been delayed. Preference remained unilateral, giving wider scope for commercial treaties with foreign countries

but should come first.

[1] See vol. i. p. 166.

than would have been the case had Reciprocity been established forthwith. Canada has already concluded a series of arrangements which in actual practice, though not in legal theory, may be found to have limited for the time being the potentialities of Imperial Reciprocity.

Deakin on retaliation.

But the not uncommon notion that this policy of foreign commercial treaties, based on an "intermediate" scale of rates, is peculiar to Canada cannot be maintained. In Britain herself the official starting-point of the Unionist party in its gingerly approximation to Mr. Chamberlain's policy was "Retaliation" rather than Imperial Preference. Mr. Deakin, of course, always put British before foreign trade. But at the session of 1907 he made it clear from the beginning that the idea of securing better terms from foreign countries was an integral part of the Imperial fiscal policy which he advocated. He complained of the harsh treatment dealt to certain Australian products by foreign States, notably Germany; and he looked to a commercially united Empire for the remedy:

> "In modern markets it is the seller who is the courtier—the buyer is king. That is the key to the situation. . . ." (R., pp. 247–8.)
>
> "The power possessed by the British Empire over foreign nations by its possession of a great market—a market to be opened or closed to some extent or any extent—is little realised, but the most casual observer must recognise the strength of the Empire's position, which is certainly enormous, should all its component parts, combining together, use their power to meet the fiscal attacks of foreign nations upon any portion of the Empire. It is a case of all for each and each for all. . . ." (R., p. 255.)
>
> "What I wish to suggest by this line of argument is not the adoption of an aggressive commercial

policy any more than in other foreign affairs, but merely an indication of a freedom and a willingness to use the powers which each nation possesses in regard to its trade and commerce and the terms on which it admits the goods of other countries. We should not allow them to lie aside like rusty unused weapons, but to hand and ready for use on occasion, employing them as they have been employed by Germany and the United States and other peoples, in order to secure fair business—no more than fair business. I am not for a moment advocating that because the Empire has a giant's strength it should use it tyrannously like a giant in relation to small foreign communities, or large ones, but merely that its possession of power should carry with it a responsibility for its exercise at need. We should be quite prepared to take whatever steps may be required to free us from obviously unfair competition in other markets, and to secure our people fair competition all round." (R., p. 256.)

Wanted, an intelligence system.

A regular system for looking after this part of the common interest, as well as for the progressive development of mutual Preference within the Empire, was a vision before Mr. Deakin's mind. He had been struck with the memorandum[1] in which Sir Edward Law, Financial Member in the Government of India, had discussed the fiscal relations of India with foreign countries in the context of Mr. Chamberlain's proposals. Mr. Deakin drew attention[2] to the manner in which the position of India in relation to each country had been analysed by Sir Edward Law; the volume and character of the trade being carefully scrutinised in each instance with a view to determining its relative value to either party. "That

[1] Printed in *Views of the Government of India on the Question of Preferential Tariffs*, Cd. 1931. *Cf.* Sir Edward Law's Introduction to *India and the Empire* (London, 1908), Mr. M. de P. Webb's excellent book on the same question.

[2] R., p. 236.

memorandum," he remarked, "exhibits exactly the method in which in the Commonwealth we endeavour to approach any such proposals." Sir Edward Law had complained of the deficiency of his materials for this task; and Mr. Deakin had a way of meeting such contingencies as well as others. Later on he was discussing the potentialities of inter-Colonial preferences:

Inter-colonial preferences.

> "Owing to the similarity of our circumstances none of these could have the scope or the value of an arrangement made between any or all of them and the Mother Country if such were possible. But nevertheless, small as these Imperial reciprocities may be, they are useful. It is perhaps not altogether beyond the horizon of the immediate future to forecast a time when, from year to year, or at short periods, some body or committee of experts will review the trade of the Empire as a whole in order to see if fresh opportunities could not be found for directing population and trade, not only from the Mother Country to the Dependencies, but between these Dominions themselves, in order to knit us together each and all." (R., p. 258.)

Fiscal policy and the Secretariat.

At the very beginning of the session Sir Joseph Ward had suggested[1] that the proposed Secretariat would be useful for investigating the details of preferential arrangements, hinting that possibly something might be found practicable without involving any duties on those articles of food which had been so much discussed. Dr. Jameson likewise, at a later stage, expressed a hope[2] that the new secretarial staff would attend to Imperial tariff questions.

Australia's motive for desiring Preference.

The Commonwealth Government, charged with the interests of Australia, had a strong motive for desiring Preference in Britain. In Australia, Mr. Deakin pointed out, production was increasing much more

[1] R., p. 33. [2] R., p. 284.

rapidly than population. With labour-saving machinery and transport facilities the output per head was enormous. The growth of population was altogether inadequate to absorb in the home market more than a fraction of the ever-increasing output of primary products. To find expanding markets commensurate with the expanding output from the soil had become an urgent and difficult problem. The great consuming centres of the European continent were barred by fiscal barriers. Germany and France were willing enough purchasers of Australian wool and ores,[1] to work up in their own factories, but they subjected foreign meat and other food products to crushing restrictions. German subsidised steamers were forbidden by their charters to bring meat, dairy produce, or cereals from Australia ; and were that ban removed the "sanitary" regulations at German ports would remain sufficiently prohibitive.[2] Even in Britain Australian dairy produce was handicapped in competition with Danish by concessions on British railways and other special arrangements. Yet it was to Britain that the Australian producers, barred out from the Continent, were compelled to turn in their quest for an expansive market. The market was there. Mr. Deakin handed in a statistical table showing "A Year's Imports into the United Kingdom of Produce other than Wool which Australia could supply."[3] (The deliberate exclusion of wool was significant.) The list, including especially grain, meat, dairy produce, and fruit, showed a total importation valued at nearly £210,000,000 ; out of which foreign countries supplied nearly £160,000,000, and British countries less than £51,000,000, including little more than £10,000,000 from Australia.

Scope of English market.

[1] In these there had been a very large increase of exports to the European continent.

[2] R., p. 244.

[3] R., p. 264.

Here, then, was an ample margin for the expansion of Australian exports to Britain if, through Preference there, the foreign supply could be progressively displaced. All classes of producers in Australia would stand to gain. In the more rapid expansion of the agricultural population the local manufacturers[1] would find a growing home market as well as the British manufacturers who would enjoy preference against foreign competitors. It would not, in the opinion of any of the Dominion statesmen, mean higher prices to the consumer in Britain. Present prices were all right, but a larger trade at those prices was desired. As several speakers argued, the competition among the favoured sections of suppliers—*i.e.* those within Britain herself and the Dominions—would be amply large and keen enough to keep prices down;[2] especially when the foreigner would naturally try to retain his hold on the market by paying the small duty himself, *i.e.* by taking a reduced profit, so long as there was any margin left to him. The displacement of foreign by Colonial produce would be gradual; the aggregate importation would not vary more than it did before; and the relation of supply to demand being thus unaffected, why should prices rise under the preferential system? Trade can be favoured, and diverted from one quarter to another, by reducing the incidental expenses attending it (*e.g.* by "exemption from or reduction of" import tolls, as proposed in the Resolution of 1902) not less effectively and perhaps more beneficially to all concerned than by raising the level of selling prices. A reduction in the cost of marketing has the same effect as an increase of selling price in increasing the margin, which is profit, between outgoings and receipts. So, to impose an expense on one competitor from which the other remains exempt

Preference does not mean dearer food.

[1] R., p. 249. [2] *Cf.* Ward, R., p. 269.

is to give preference independently of selling prices. Holding this view as to the incidence of the proposed differential duties, it was unnecessary for the Colonial representatives to argue that any possible increase in the cost of living would be more than compensated by the *quid pro quo*.

The same aspect of the question was emphasised by Sir William Lyne,[1] the Australian Minister of Trade and Customs, in connection with wheat.[2] Were the acreage in Australia greatly increased, as he was sure it would be under Preference, the larger traffic on the railways would justify the provision by the State of more modern equipment for handling the grain, and altogether from 3d. to 4d. a bushel would be saved in the cost to the grower. Here, again, the benefit to be gained by Preference was reduced cost of production, not increased selling price in Britain. The Cape representatives similarly held, in connection with wine and tobacco, that there was an enormous commercial gain, irrespective of selling prices, between a retail and wholesale system of production and marketing.[3]

In all these questions respecting the framing and operation of preferential tariffs, especially the incidence of the duties, the Dominion Ministers spoke with the advantage of practical and extensive experience, which the British Ministers did not possess, even had their party interests not compelled them ignominiously to set the dogma of their master-fetish against the evidence, if need be, of all mankind. Mr. Deakin protested against the use of "tax" as a synonym for "duty," on the ground that it implied confusion of thought. "In our experience a duty is not a tax, of necessity; it need not raise prices."[4] It was all a

[1] R., p. 326.
[2] *Cf.* Deakin, R., p. 403.
[3] R., p. 403.
[4] R., p. 233.

question of the circumstances attending the particular case; especially the proportion of the duty to the selling value of the particular article, and the proportion between the dutiable and the duty-free supplies in the total consumption of the country. Such points were considered in framing the Australian tariff; some of the duties being designed for revenue only, others to foster industries without regard to revenue, while others were devised to serve partially both purposes at once. Sir Joseph Ward likewise stated:

> "The result of a preference to British goods imported to New Zealand, from information furnished to the Government Department in New Zealand, has not brought about an increase in the price of those articles to the consumers in New Zealand. On the contrary, the increased opportunity for competition between British traders by having a preference, by putting a duty against foreign countries, has kept the price of those articles down." (R., p. 267.)

A similar statement to the effect that the British Preference had forced foreign competitors to reduce their prices so as to offset the handicap, was made by the Canadian Ministers in their Memorandum of 1902.[1] Coupling all this first-hand evidence with the experience of the shilling corn duty[2] in the United Kingdom some years ago, it may be said that the experience of

[1] See vol. i. p. 380.

[2] Average prices of British wheat and bread (4 lb. loaf):

Years.	Duty per Quarter.	Wheat per Quarter.	4-lb Loaf in London.
	s. d.	*s. d.*	*d.*
1864–1868 (five years)	1 0	52 0	8·5
1869	nil	48 2	7·7
1870–1874 (five years)	nil	54 10	8·4
1897–1901 (five years)	nil	28 8	5·3
1902	1 0	28 1	5·2
1903–1907 (five years)	nil	27 8	5·4

the Empire is conclusive against the *a priori* assertion of the British Free Traders that the small and preferential duties proposed to be placed on articles of which the British supply is very large and expansive, would finally come to rest on the price in the British market.

Asquith's theory of incidence.

Mr. Asquith himself, in his best professorial manner, attempted to state the doctrine of incidence in a form which, while not committing him to the extreme fallacy that "all duties raise prices" (though that was the party platform), might serve to cover the opinion that the duties proposed for Imperial Preference in Britain would certainly do so:

> "When you impose an import duty upon a commodity which is a necessity of life or of industry, one or the other, and when the commodity is of such a kind that you cannot substantially make up the supply that you want from domestic sources—given those two conditions, and I carefully limit my proposition in that way—sooner or later, though the process may be delayed or deflected for a time, that duty appears in added cost to the consumer." (R., p. 322.)

On this view, when the Canadian Government offered increased concessions in 1902 in return for "exemption from" the shilling import duty on corn, they were seeking exemption for the British consumer and not for their own producers. Obviously what they really thought was that the duty had settled, or was destined to settle eventually, on the pocket of the Canadian grain-grower; and the record of prices, so far as that goes, bears out their belief. Setting aside, however, the absurdity of opposing academic opinion to practical experience on such questions of fact, it is worth noting that Mr. Asquith's doctrine would promise immunity from any increase of price, should duties be imposed, in respect of all

those manufactured articles of which Britain produces a surplus for export. That, however, has not been the doctrine of the Liberal platform.

Theory *v.* experience.

Naturally the Dominion representatives were not to be persuaded that the ignorant conjectures of biased politicians were more likely to contain the truth of this matter than the evidence they had themselves acquired by actual experiment. Several of them declared[1] that if they thought for a moment that the duties necessary for Reciprocity in the mother country would make life harder for the struggling masses, they would never have taken up the policy, despite its importance. But in their view the apprehension of dearer food was a mere bogey. Setting it aside, the practical question was: What could the Dominions severally offer to Britain in return for the reciprocal preference which they desired?

British trade losing ground in Australia.

The Commonwealth Ministers drew attention to the very unsatisfactory progress of the British export trade to Australia. It was stagnant, if not declining. Not only British manufactures, but British shipping had been relatively losing ground. Sydney harbour, where formerly the British flag reigned supreme, was nowadays crowded with foreign vessels,[2] great liners and cargo ships from Germany, France, and Japan. Taking Mr. Holt Schooling's decennial tables,[3] the average annual importations from the United Kingdom and from foreign countries into Australia showed the following result:

Imports into Australia.

	From United Kingdom.	From Foreign Countries.
1880–89 . .	£21,700,000	£6,900,000
1890–99 . .	18,400,000	7,500,000
1900–05 . .	20,800,000	13,700,000

[1] *E.g.* Ward, *infra*, p. 209; Lyne, R., pp. 324–5; Jameson, R., p. 285.
[2] R., p. 328. [3] R., pp. 240–1.

Thus while the aggregate imports into Australia had increased considerably, the enlarged purchasing power of that country had gone to provide labour for foreign instead of British artisans. In discussing Preference, it was always necessary to remember that Australian trade was on "an ascending scale."[1] The figures had been analysed in the Commonwealth offices. It was found that in various important lines of manufacture foreign goods were tending to displace British goods. The Australian Government were willing to take measures for counteracting this tendency, if the British Government would co-operate. It could be done, Mr. Deakin declared, without any detriment to Australian consumers, because there need be no increase of price[2] in order to achieve the object. It was believed that British manufacturers could still turn out goods as cheaply as any other of their rivals. The causes of their failure to keep their lead were thought to be found partly in their own conservatism, as compared with the more versatile enterprise of their protectionist competitors,[3] especially the Germans and Americans; partly in the system of combined State-railway and shipping rates through from the German factory to the oversea market; partly in the subsidising of German ships, which soon managed to get return cargoes for the goods they took from Australia; and partly in the expedient of "dumping," *i.e.* of selling surplus stock at cost or under with a view to driving out competitors.

"Substantial" Preference the remedy.

"Substantial"[4] preference in the tariff for British manufactures would be, the Australian Premier argued, the best way of restoring the trade of the

[1] R., p. 253. [2] R., p. 242.

[3] According to orthodox Cobdenism Protection is a narcotic, numbing enterprise; but even the Free Traders seem to have dropped that part of the absurdity now.

[4] R., p. 257.

mother country to its former degree of supremacy in Australia. It would be a mutual benefit because:

> "If a fair proportion of the 565 millions sterling, which is Britain's vast outlay for imported goods, came to British Colonies, it would tend greatly to increase their wealth and strengthen the British and Colonial Navies, and the Empire as a whole. British manufacturers are the greatest consumers of Australian raw produce, and their prosperity means the promotion and development of the Commonwealth, while the success of the foreign manufacturer does not necessarily benefit the Australian producer." (R., p. 254.)

Recognising that there was some advantage to Australia even in "unilateral" Preference, the Commonwealth had already made a tentative beginning, in accordance with the Resolution of 1902. Thorough adjustment of the tariff had been unavoidably delayed [1] by the preliminary work of getting the new federal machine into running order and had not yet been seriously taken in hand. But in 1906 a visit from Mr. Seddon had occasioned negotiations for a treaty of Preference between the Commonwealth and New Zealand.[2] A special Bill had been prepared to carry out the modified form of the proposal which Mr. Seddon's successor, Sir Joseph Ward, found himself able to accept.[3] Since it involved certain increases of duty, the Australian Government had taken the opportunity to offset them with preferential reductions on a small selection of imports from Britain. But even this "minor subsidiary proposal attached to the New Zealand Treaty," as Mr. Deakin described it, had been jeopardised by events. By the Bill the preference was limited to goods carried in British ships, and

The New Zealand treaty.

[1] R., p. 412. [2] *Supra*, p. 46; *cf.* R., pp. 259–61.
[3] Not ratified by the N.Z. Legislature. Cf. *infra*, App. J.

quite unexpectedly the Imperial authorities had intimated that this would involve a breach of treaty relations with foreign countries. Then the Labour Party had insisted on inserting a clause which the Government felt to be quite impracticable, further limiting the preference to goods carried in ships manned by white labour. It was the end of the session; a general election was imminent; members were already leaving for their constituencies; and the Government chose to pass the Bill with the two objectionable features rather than lose it altogether, which was the only alternative open to them.

Approaching reunion of Australian tariff.

But since then there had been the general election, at which the Government had been returned to power with a more decisive mandate[1] for Preference. The first business of the new Parliament would be to consider the revision of the whole of the customs tariff:

> "In that revision of our customs tariff an excellent opportunity for reconsidering our position will occur, not only in regard to that Bill, but our position generally towards preferential trade from the Australian point of view. As soon as my colleague and I return, it will be our duty to lay before Parliament the proposals of the Ministry for an Australian tariff. One of the chief advantages of our presence here, and cause of our interest in this discussion, is because we could give almost immediate effect to any alteration that may be desired in our fiscal system. In Australia

[1] Mr. Deakin adduced, as "convincing evidence" that the electors had given him a mandate for National Protection and Imperial Preference, the fact that the Leader of the Opposition (Mr. G. H. Reid), as soon as the House met, had "expressly acknowledged that those two issues had been submitted to the country and decided beyond any doubt whatever, although that decision was adverse to himself." (R., p. 360.) He referred also to the action of certain Labour members of the British House of Commons who had addressed an appeal, on the eve of the elections in Australia, to their comrades there to vote down Preference. The response of the electors, Mr Deakin remarked, was very much more in favour of Preference than ever before." (R., p. 233.)

> we are never very long without fiscal amendments of some character, but this is a major alteration implying a re-examination of the whole of our customs schedule. We shall have an opportunity such as rarely occurs of reconsidering these questions and of dealing with them afresh. This is not the place, of course, to outline our Ministerial policy, except to say that it involves a reconsideration of this Bill." (R., p. 261.)

Opportunities for Preference.

He felt able, however, to indicate the general lines on which an increase of the British Preference in the Australian tariff might be arranged. The primary function of the tariff was to provide a federal revenue, and the Commonwealth could not do with less revenue than it had hitherto been getting. National Protection, Imperial Preference, and power of Retaliation against foreign countries were subsidiary aims, in that order[1] of importance. But consistently with the maintenance of the federal revenue there were several ways in which a large measure of British Preference might be effected. The Commonwealth imported goods to the value of nearly £37,000,000; out of which nearly £13,000,000, or about 34 per cent., were still on the free list; while of the remainder nearly half, or about £11,000,000, were dutiable at the rate of 15 per cent. or under.[2] These two categories offered the largest opportunities for Preference. In regard to the dutiable list, 15 per cent. was not a high rate for Australia. It might either be lowered to the United Kingdom or raised to foreign countries, according to the particular case. The latter alternative had been adopted by other Dominions, and "probably in no perceptible degree influences the amount of duties

[1] *Cf.* R., p. 360, and *infra*, p. 209.

[2] R., p. 256. The average rate of the Australian tariff was 16·8 per cent.; or, reckoning the free list also, 10·8 per cent. on the value of imported merchandise.

An Empire free list.

collected"[1]—so that the revenue would be safe—while it would have the further advantage of furnishing leverage for negotiation with foreign countries afterwards. In the second place, there was the free list to manipulate:

> "More than half the imports that come in free are from foreign countries. If the Commonwealth were to make British goods alone entitled to a free list, making foreign goods now in this class dutiable for the future at the rate of 10 per cent., there would hardly be any question but that Great Britain would in a very short time acquire almost the whole of the trade in the goods which she produces that are now wholly free in Australia, derived from foreign countries. An increase of local production must, of course, be allowed for where our circumstances are favourable, though the nature of our industries in their relation to the general circumstances of our new and sparsely populated country modifies the inducement offered in many cases. An inspection of the list of goods not subject to duty in Australia will show that very few of the articles enumerated therein are neither produced nor producible in Great Britain. The adoption, therefore, of this course would probably be attended by an immediate diversion of trade from foreign goods to British goods." (R., p. 257.)

The Australian offer.

Even then the possibilities would not have been exhausted, as there would remain the category of goods dutiable at between 15 and 25 per cent., offering some openings for preferential adjustments. Taking into account all three modes—(1) the Empire free list; (2) raising duties against the foreigner; (3) lowering them for British trade—and reckoning an increase of Australian exports as a result of reciprocal preference in Britain, there was reason to think that British sales to the Commonwealth might be increased 50 per cent. by the contemplated "sub-

[1] R., p. 257.

stantial preferences." Would the mother country respond to the unique opportunity afforded by the impending revision?

> "The customs tariff which we will submit will be framed on the same principle which I have been enunciating here. Our first consideration will be that of the circumstances of Australia and its demands. The next will be the possibility of giving a preference and therefore entering into closer commercial relations with the Mother Country and our sister Dominions. The third will be how far and in what degree it shall apply to foreign countries who single us out for special disabilities.
>
> "The larger trade exchange with the Mother Country towards which we look, ample in its proportions and immense in its possibilities, will be constantly before us, but *the extent to which we can approach a complete mutual exchange will, of course, be governed by the attitude which is adopted here towards our proposals.* I think I can fairly say that any encouragement we may receive will be met, not in a spirit of barter, but with a desire to prove our appreciation of it and of our family relations." (R., pp. 261–2.)

Such was the Australian offer in 1907.

The New Zealand offer.

Sir J. Ward, who spoke next after Mr. Deakin, lost no time in following up the Australian offer with a similar one from New Zealand:

> "I would like briefly to state what the attitude of New Zealand in connection with preferential trade is. We come here with an honest desire to place our position before the British Government, and the British people through the British Government, in the hope that *if they see proper to return the preference which we have already on some articles given we should be only too glad in that respect to extend the system* and have them added to on a mutual basis.
>
> ". . . If I thought it was going to injure the masses of the people of this country, I for one would not be favourable to it. I honestly believe preferential

trade within our own countries would vitalise and add to the strength and greatness of the Empire. . . ."

"We are only too ready to enter into a reciprocal treaty with our friends of Australia, to which Mr. Deakin has referred. We have also an adjustment of the Customs tariff to put on the Statute-book next session, and we are most anxious to bring about trade relations between the Colonies, and most anxious to assist in the development of trade between the old world and the newer one. . . ." (R., pp. 266–81.)

In regard to the effect on the cost of food in Britain :

"I am as persuaded in my own mind as I am alive that the price would be as low by the competition and natural rivalry between Canada, Australia, New Zealand, and South Africa, as it would have been by allowing that product to come in from Russia or America." (R., p. 269.)

He described the preferential tariff of 1903 under which duties had been raised on a selected list of articles against foreign countries, and deplored the fact that nevertheless the exports from Britain to the Colony were actually declining. All the growth of the import trade had gone to foreign countries, whereas "England under Preference ought to have the lot." Already the Colony had a combined trade of £30,000,000, which added to the Commonwealth's made a total of towards £150,000,000 a year. Though only "in their infancy," they together were already third on the list of Britain's customers,[1] being sur-

[1] Exports of U.K. Produce to	Average 1904–06.	Population (*circ.*).
	£	
India and Ceylon . .	44,381,000	300,000,000
Germany	29,487,000	60,000,000
Australia and N.Z. . .	24,896,000	5,000,000
United States . . .	23,967,000	75,000,000

passed by India and Germany alone. And yet they were only five millions of people, against sixty millions in Germany. What would their trade grow to as they developed, and was it of no importance to Britain to increase her share? These young countries, with their vast tracts of land, still awaiting population and development, were surely markets beside which the old continental countries would ultimately pale into insignificance. He protested against the fallacy that "trade follows the flag." It did not follow the flag of the sovereign country so much as the flag of the regularly-calling ship; and the policy of foreign countries in pushing their shipping was a sure way of getting the trade. Besides fiscal Preference, he urged the importance to Britain of maintaining an adequate staff, like her trade rivals, of intelligence officers in all the larger Colonial towns. He also urged the policy of making the Suez Canal free to British shipping by State payment of tolls, to which New Zealand would willingly contribute, so as to render that much shorter route available to the cargo vessels which were compelled for economy to go round Cape Horn and the Cape of Good Hope. Yet another urgent project was the old one of the trans-Canada mail route, by which he believed that the time of transit for mails and passengers from Britain to Australasia could be reduced to twenty days. Steamships, cables, and preferential trade all hung together as parts of one policy. He supported the plan of concerted Imperial action for bringing pressure on foreign countries to open their markets. As to the general question, he was convinced of the necessity of reinforcing the ties of sentiment with co-operative enterprises of this kind. To stand still meant "retrogression" and "drift."

Dr. Jameson, who followed Sir Joseph Ward,

Cape Colony—pioneer of Preference.

claimed for the Cape a share of the credit for the inception of Preference. The idea initiated by Mr. Hofmeyr in 1887 had been taken up by Mr. Rhodes, who in 1890 wrote about it to the Canadian and Australian Premiers. When a few years later the Chartered Company was established, Mr. Rhodes had, "with great difficulty," succeeded in getting a clause inserted in the constitution to limit the Rhodesian tariff on British goods to 9 per cent., with the result that the Rhodesian rate still remained at 9 per cent., though the rate adopted for the rest of the Customs Union had been increased to 12 per cent. There was a third name to be mentioned:

> "In the Cape and South Africa the practical carrying out of Preference with the Mother Country was largely helped—certainly, I might say, almost brought about—by Lord Milner. When I mention these three names in connection with Preference, I think South Africa perhaps has given what I might call a useful object-lesson in a subject of this kind which affects the whole Empire, and, as far as the leaders of political opinion in South Africa at all events are concerned, it was kept outside party politics, because I do not think any one could say that Mr. Rhodes, Mr. Hofmeyr, and Lord Milner were on all-fours in domestic politics in South Africa." (R., p. 282.)

What they desired was some reciprocal preference in Britain, however slight, so as to get the principle recognised. Once recognised, they believed it would grow irresistibly. Of course that was just why some people in Britain objected to any concession, but surely it was more reasonable to try a small experiment than to remain enslaved to an abstraction. Nor did he agree that in matters of common interest there should be no proselytising:

"Although it may be presumptuous for some one from abroad to influence the people in this country, I venture to say it is our duty, if we can, to influence them, even at the cost of being considered presumptuous."[1] (R., p. 282.)

Comparriot politics.

But in fact the British Government, he pointed out, had in effect already accepted the principle of Imperial Reciprocity. As rulers of Basutoland and Bechuanaland, which at their request had been admitted to the South African Customs Union, they were parties to the reciprocal tariff agreements with Australasia. This seemed to surprise the British Ministers. Mr. Asquith brought the subject back to ground more congenial to his party instinct by challenging Dr. Jameson point-blank about preference on wool:

Britain already a party to Preference.

"*Mr. Asquith*—Does wool come within the subject matter as to which you think preference ought to be given?

"*Dr. Jameson*— . . . Wool is a raw material, and we do not want to put anything on it";

but they thought that a duty in the Colonies on the manufactured products would help the British manufacturer to purchase more of the raw article from them. Mr. Asquith, however, was not inclined to surrender his pet fiction that Preference would necessitate a "tax on wool." Without wool, how could any preference be given to South Africa, which he seemed to think produced nothing else, except gold and diamonds. Again Dr. Jameson was quite explicit. There were wine and tobacco, ample to begin with; though they looked forward to an agricultural development which would make the

[1] Mr. Asquith subsequently conceded this principle in a rather heated outburst: "Go and persuade the people of that if you can" (*i.e.* that Free Trade was a "fetish"). (R., p. 317.)

range of their exports resemble that of the other Dominions. Prior to the Cobden treaty with France (1860) the Cape used to send over 800,000 gallons of wine to Britain. Under that treaty Britain, in return for a reduction of the French duties on her manufactures, had reduced the duty on foreign wines from 5s. 6d. to 2s. 9d., the latter having been the preferential rate on Colonial wines. The abolition of the preference had strangled the industry, which otherwise might have grown in the meantime to enormous proportions, and the exports of Cape wine to Britain had dwindled to under £10,000 a year.[1] Dr. Jameson mentioned that on taking office he had written to the Unionist Government about it. "They gave me the usual sympathy, but they gave me nothing else."

Preference on wine.

Discomfited on wool, Mr. Asquith thought he had another poser. "Do you know any British Government which gives a preference to any form of alcohol?"[2] Yes, the Cape Ministers did know of one, *viz.* the Australian Commonwealth, which gave them a preference on their liquors over foreign liquors. (So did New Zealand, and, by the effect of classification, Canada also.)

The South African offer.

Then came the South African offer:

> "*Dr. Jameson*— . . . I believe the proposition before the Conference is—I know it is the proposition of Canada—that we give, irrespective of the United Kingdom giving anything at all, a certain preference, but *when the United Kingdom reciprocates, then we are all prepared to come forward and give more.*" (R., p. 287.)

Jameson's warning.

Referring to the advance resolution sent in by the Cape, warning the British Government that continuance of the South African preference might

[1] R., pp. 286, 320, 350. [2] R., p. 286.

depend on reciprocity, he made a statement to which subsequent events have given an additional interest:

> "I wish to say at once, and emphatically, that there is no question of a threat there at all. What we are doing is giving a warning from our own experience. I am giving my experience that I have had at the Cape that the majority, as evidenced by the Customs Union, are in favour of Preference. I know that in my Cape Parliament there is a minority who were not in favour of it, and in fact spoke against it, but at the same time that minority brought forward an amendment saying that no preference should be given unless there was reciprocity. Therefore I am justified in saying that the whole Colony, with any reciprocity whatever from the United Kingdom, would be unanimously in favour of Preference.
>
> "*Mr. Deakin*—We have the same minority.
>
> "*Dr. Jameson*—I only wanted to emphasise that it was not a threat at all, but only that we might not be able to hold things together, that the minority might become a majority later on, and we who believe that this is one of the most important links between the various portions of the Empire, are very anxious to say that our various Colonies are absolutely in favour of Preference, if we have a reciprocity, however small."[1] (R., pp. 287–8.)

Canada's intermediate tariff policy.

He confessed to having been "alarmed," if Sir Wilfrid Laurier would let him say so, at the report that Canada was establishing an "intermediate" tariff with a view to entering upon foreign treaties in advance of Imperial Reciprocity:

> "Suppose a treaty at the intermediate tariff was made, say, with the United States for a term of years?

[1] A few days later Dr. Jameson called attention to a similar warning which Mr. Hofmeyr had just given in a speech in South Africa. (R., p. 356

"*Sir Wilfrid Laurier*—Do you think there is any probability of that?

"*Dr. Jameson*—I do not know at all, but supposing it was with France, Germany, Italy, or anywhere . . . and supposing the Imperial Government gave a preference to Canada, then Canada would probably carry out further preference to Great Britain, but that further preference would surely be bound by this intermediate tariff, because this intermediate tariff, I suppose, would be made on the present preference to Great Britain. So really the further preference would be minimised. The point is, when once you begin to make commercial treaties outside there is no saying how far they go. When you once get commercial treaties and commercial sympathy, we generally find political sympathy follows. That is the last and strongest argument. We hope the Imperial Government will see their way to help us in an experiment, at all events, of the smallest reciprocal preference to various portions of the Empire." (R., p. 288.)

Preference under existing British tariff.

He suggested, accordingly, that the British Government should concede to Cape tobacco a remission of one shilling off the tobacco duty (at 3s. a lb.), just as they had lately promised to take a shilling off the corresponding excise duty on a certain quality of Irish tobacco for the sake of an "experiment." Mr. Moor (Natal) endorsed his Cape colleague's views, but urged the importance of supporting Preference with subsidiary measures, such as the regulation of shipping freights, and the encouragement of emigration to the Dominions, which he hoped the new Secretariat would attend to. He somewhat expanded Dr. Jameson's list of South African products available for experimental preference in Britain:

"You have already a tariff on wine, sugar, tobacco, and tea. You are taxing your people. I will take tobacco as one line, and we ask you to give relief to

your people to the extent of giving us a preference on that tariff, say, on tobacco. You would be helping us to build up a new industry in South Africa which is a very promising one, and from which I believe you can get supplies as good as any in the world. At the same time you would be doing your people a benefit by reducing your taxation in their favour;[1] which I believe is in the direction of your Free Trade policy.

"However, it will be interesting to know what objections you can have to making an experiment in that direction as regards your own Colonies, and in the interests of your own consumers by reducing taxation. (R., p. 291.)

Botha on Preference.

General Botha, who doubtless was conscious that the Liberal Government regarded him as under an obligation to them for having restored the Transvaal to Boer control, assumed a cautious attitude. The people of the Transvaal had not, he observed, been consulted about preferential trade since receiving responsible government, so that he had no sure mandate from them. He would support the 1902 resolution, but nothing in advance of it. It was now a matter for Britain to settle, and his own impression was that the recent general election had decided it. Though no reciprocal preference were given, "the bond between the Transvaal and the Mother Country will not thereby be weakened."

Sir Robert Bond aligned Newfoundland with Canada on the Resolution of 1902. Though in his Colony effect had not yet been given to it, he was able to announce that the matter was under consideration. His Government desired "to co-operate in every possible way towards the establishment of

[1] This has always been the domestic argument of the Laurier Government in Canada, that Preference means reduced taxation, because prices are governed by the lower scale, in cases where the conditions are such that the duty falls on the consumer.

preferential trade between the Colonies themselves and between the Colonies and the United Kingdom."

British Ministers on Preference.

The twelfth sitting opened with Mr. Churchill's lecture, followed by Sir Wilfrid Laurier's full statement; after which Mr. Deakin replied to the British Ministers, and a desultory discussion closed the subject. Nothing will be sacrificed to convenience in treating the four speeches of the British Government together. They had no precise relation to the views expressed by the Premiers, being inspired by party instead of Imperial interest. In general they may be described as elaborate statements in support of foregone conclusions. Except for a few and somewhat irrelevant points made by Mr. Lloyd George, the Colonial arguments from experience were met simply with a reiteration of *a priori* judgments.

Churchill's intrusion.

Speeches were made on behalf of the British Government by Sir James Mackay (India Office), Mr. Asquith (Chancellor of the Exchequer); Mr Lloyd George (President of the Board of Trade); and Mr. Winston Churchill (Under-Secretary for the Colonies). The title of the last-named to attend or address the Conference is obscure. Not being a Minister, he was not there as a member of the Conference. He might have been asked to attend and speak on some special subject by his chief, Lord Elgin, just as Sir James Mackay was deputed by Mr. Morley. But it seems[1] that he himself requested permission to speak, instead of waiting to be asked. Lord Elgin assented, explaining to the Conference that Mr. Churchill wished to deal with a "particular side" of the subject, of which the Under-Secretary was "specially in charge." The particular side turned out to be the most general, being in fact the political aspects of Preference in relation to parliamentary

[1] R., p. 400.

government. It would have been more appropriate for treatment by one of the Cabinet Ministers, had any of them been willing to undertake it.

Sir James Mackay was the first speaker at the third sitting on Preferential Trade, following the Transvaal and Newfoundland Premiers, whose remarks have already been noticed. Then came Mr. Asquith, Sir William Lyne (Australia), and Dr. Smartt (C.C.). Mr. Lloyd George attended the eleventh sitting and led off. His speech was more conversational than the others and lapsed into good-humoured dialogue.

Mackay on Preference and India.

Sir James Mackay began by citing trade statistics to show that India was doing well enough under the existing system. Then he dwelt on the risk of damage to India through foreign retaliation should she join in a scheme of Imperial Reciprocity—or even should she hold aloof, since foreign countries might not recognise her neutrality. He would not admit that this was a negligible risk. It had been implied by Mr. Deakin that fiscal pressure had been successfully exerted by the Government of India to make France reduce the duty on Indian coffee after she had raised it in the course of a fiscal dispute with Brazil. But though France had in fact lowered the duty in return for reciprocal concessions in the Indian general tariff, this coincidence was, he argued, only a "face-saving" arrangement, France having been actuated purely by goodwill. Another case mentioned by Mr. Deakin had been the action of Russia in penalising Indian tea by way of retaliation for the exclusion of Russian bounty-fed sugar under the Brussels Convention. Sir James Mackay was glad to state that despite the penal duty the exports of Indian tea to Russia had continued to grow. (Later on this statement was recalled by Dr. Smartt as evidence that the risks of retaliation were being

exaggerated, Indian exports to foreign countries being mainly goods which they had to buy anyway.) India was not, he argued, much interested in getting preference on tea, because out of the 321,000,000 lbs. consumed in the United Kingdom only 13,000,000 came from foreign countries. But—and this was a strangely unconvincing "Indian" view—in regard to both the tea duty and tobacco duty India would welcome a reduction if it could be done without giving her a preference.

India sacrificed to Lancashire under Free Trade.

At this point he seemed to abandon altogether the farcical pretence that he was the spokesman of India rather than of a Liberal Government in England. As always, since the beginning of the fiscal controversy, the Liberal party took its stand on the right to exploit India in the interests of the Lancashire cotton trade:

> "There is another matter connected with the subject, namely, the question as to what bearing the adoption by the United Kingdom of a scheme of preferential tariffs would have on the excise duty which is now imposed on cotton piece goods manufactured in India, and on the exemption of cotton twist and yarn from the customs duty levied on other classes of cotton manufactures. These exceptional measures were adopted when, under financial stress, as his lordship (Lord Elgin) knows, the import duties were reimposed, in order to prevent them from protecting the Indian cotton industry in the smallest degree; and they were defended on the ground that the policy of the British Parliament and the Government of India was one of strict Free Trade. If that policy were modified the matter would assume an entirely new phase.
>
> "It has been suggested that India might join a preferential tariff scheme, with liberty to impose duties of a protective character against imports from the British Empire, if accompanied by still heavier duties against foreign imports—something the same

> as you propose to have in Australia. There is no doubt that, if a preferential policy were adopted which admitted of the establishment of protective tariffs by Great Britain, proposals in this direction would be put forward and pressed by Indian manufacturers. They would claim the same right to protect their manufactures as the Colonies enjoy, and it would be difficult to offer a logical opposition to such a demand." (R., p. 301.)

Why not fiscal freedom for India?

It may be suggested in passing that, perhaps, not the least valuable of the results already accruing from the controversy raised by Mr. Chamberlain's proposals is that it has forced and is forcing an increasing number of Englishmen to recognise the intolerable hypocrisy—true child of Cobdenism—of pretending that India is governed fiscally in the interests of her own people. On what principle, acceptable to Indian feeling or necessary to British rule, can the Government of India be denied the same liberty in regard to tariff policy as is enjoyed by the Governments of the Dominions, and which has been used by them to the marked advantage of both their own people and the Empire generally?

Sir James Mackay wound up his address by repeating the old party shibboleths, that the present course of trade (created by the British conquest of India) was "natural," and that any policy disturbing it would cripple the whole Empire commercially. Only he suggested that India, while unable to give preference to the Dominions, should be admitted by them to their preferential benefits. Of course the Dominions did not see it; but the fact that the request was put forward may have indicated an uneasy consciousness of the British Ministers that they were misrepresenting Indian opinion and betraying Indian interests.

Only in one other matter did the spokesman of the

Lascar sailors.

India Office revert to an Indian point of view. He protested against the principle in the Australian Bill[1] restricting preference to ships manned with white labour, as being "extremely obnoxious" to Indian feeling:

> "*Mr. Deakin*—Is it obnoxious to Indian feeling that they are not engaged on ships in His Majesty's Navy?
>
> "*Sir James Mackay*—No, I do not think so.
>
> "*Mr. Deakin*—Is not the Mercantile Marine a support of the Navy? It is with no intention of discriminating in the least against Hindoos or any other people of the Empire, but solely with a view to the development of the Mercantile Marine in connection with the general sea supremacy of the Empire that our proposition is made.
>
> "*Sir James Mackay*—That is rather a matter for the First Lord of the Admiralty. He finds that he has no difficulty in recruiting for the Navy." (R., p. 302.)

The matter was alluded to more than once afterwards by Mr. Asquith in the course of his address:

> "We should never under any conceivable circumstances accept here a preference granted to us only in respect of goods carried in ships in which the whole of our fellow-subjects in India were not allowed to serve. We could not possibly accede to that, and everybody here would say we would rather have no preference at all than preference limited by such a condition as that." (R., p. 315.)

Asquith's confusion of thought

The question might be of more practical interest if Mr. Deakin had not already declared that the principle of restriction to white crews was inadmissible because unworkable. But it is difficult to follow Mr. Asquith's idea. How would Britain refuse "to

[1] *Supra*, p. 206.

accept" a preference under those conditions? Would the British Government try to forbid merchants to pass their goods into Australia at the preferential tariff rate? Or would the Imperial authority be exercised to veto the Australian Tariff Bill embodying the proposal? That would be a decidedly provocative and risky violation of the principle of autonomy on which Mr. Asquith had been laying great stress just before, especially as discrimination in favour of white labour had already been sanctioned in sundry Australasian laws. Doubtless he had never tried to think the matter out, but was merely jumping at dialectical opportunities as they seemed to present themselves.

Argument conducted on such lines is often inconsistent; flagrant inconsistency being a mark of insincerity. Convinced reasoning is seldom inconsistent, and would be abnormal if it were; whereas the reasoning of party debate generally abounds in self-contradictions simply because it is an unnatural exercise. Mr. Asquith's speech was characterised throughout by this vice, which prevents it from being regarded as a serious contribution to the discussion of Preferential Trade. One moment he was arguing that the intention and effect of the Colonial tariffs was to "exclude the British manufacturers to a very large extent from your markets";[1] while a few minutes later he declared, with reference to the much higher tariffs of protected foreign countries: "I do not think, therefore, that the proposition that we are being excluded by tariffs from foreign countries is a proposition which bears close examination."[2] What was that but the self-contradictory pleading of an anti-Colonial prejudice, born of party interest? arising from party prejudice.

[1] R., p. 307.

[2] R., pp. 310-11.

It impelled him to belittle the value of the existing preferences in the Dominions. He would not even concede the term "preference" to an increase of duties against the foreigner [1]—as though it made any difference in practical result whether a preferential rate of, say, 15 per cent. *ad valorem* was obtained by taking 5 off 20 per cent. on British goods in Canada, or adding 5 on to 10 per cent. on foreign goods in Australia. He felt constrained to admit that the Canadian preference had been "beneficial" to British trade, though only to the extent of "arresting a threatened decline." In point of fact, the decline was not "threatened" but actual; [2] nor is it easy for the ordinary man to perceive why the revival of a declining trade should be counted a less useful service than the expansion of a non-declining trade. It was necessary for the purpose of a party argument to ignore the offers of increased preference in return for reciprocity, and to insist on assuming that the existing preferences represented the maximum obtainable in each case. But here Sir Wilfrid Laurier helped him. In reply to Mr. Asquith's sudden request for confirmation of the view that the existing preference in Canada was the "maximum which was regarded by Canadian statesmen as being consistent with the general economic interests of Canada," [3] the Canadian Premier replied "Quite right." Possibly he was not following the discourse too attentively, and supposed that the "maximum" under unilateral preference was meant.[4] Or, the answer may have been deliberate. But nothing would induce Mr. Asquith, despite the protest of Mr. Deakin and his colleague,[5] to consider the possibility of any Australian preference beyond the

Existing Preferences the maximum.

[1] R., pp. 312, 314.
[2] Cf. *supra*, p. 203.
[3] R., p. 313.
[4] This would follow from his statement to the Canadian Parliament.
[5] R., pp. 314–15.

trifling and unworkable instalment which had been proposed in connection with the New Zealand Treaty.

Preference under existing British Tariff.

The Cape request for an experiment in reciprocal preference by reduction of the existing British duties only, was naturally a very awkward one for Ministers to refuse. They could not fall back on what has lately become their platform argument, that Preference is a good thing when it means taking something off an import duty, and a bad thing only when it involves putting new duties on.[1] Mr. Asquith could only invoke the sanctity of abstract principle. The destined Prime Minister of a Government which was to impose crushing duties on liquor and an unprofitably expensive system of land duties for avowedly ulterior purposes to those of revenue, informed the Conference that "a Free Trade basis means a system in which duties are imposed for revenue and not for other purposes." The Cape proposal would divert duties to "ulterior purposes—the purposes of preference." It would be "a flagrant and undeniable departure from the very basis of our principle of Free Trade. . . . The abandonment of Free Trade." That is the bargain.[2] As Dr Jameson commented, to the annoyance of the lawyer who had no answer ready, "Is not that coming back rather to the fetish of Free Trade?"

Asquith's pet bogey the tax on wool.

But Mr. Asquith had not yet achieved his main purpose in coming to the Conference, which was to extract something capable of being perverted afterwards into an admission of his favourite scare-cry, that Preference meant a tax on raw materials, including wool. Ignoring the statements already made on that point by the Australian and South African Premiers,

[1] This view has been adopted by the Free Traders of late years only, especially since the Report of the West Indian Commission. Previously their argument was that Preference implied "sordid bonds," and was economically a positive evil in all cases.

[2] R., pp. 316–17.

especially Dr. Jameson,[1] he asked again: "Is or is it not part of the proposition that we should give a preference on raw materials?" Here he had unwittingly delivered himself to Mr. Deakin, who at once interposed:

> "May I point out that I expressly put aside that question upon the general principle, in which I thought you concurred, that what you would give, the kind and form and extent of your preference . . . was entirely a matter for yourselves, and it was not for us to attempt to suggest its character?
>
> "*Mr. Asquith*—I quite appreciate that, and perhaps I ought not to put it in the form of a question to you, and I will not. But I will put it in the form of a question to myself, and I will suppose I am trying to construct a tariff." (R., p. 519.)

For this purpose, however, he had again to violate his own respect for autonomy by ignoring the existence of the Colonial Governments, with whom in practice the British Minister would negotiate, and imagining that he would be brought face to face with a host of competing interests in the Dominions. When the Cape exported so much wool, and so little wine and tobacco, how could he be "fair" as between the Cape and Canada unless he put a preferential duty on wool?

> "*Dr. Smartt*—Try us with a one-shilling reduction on tobacco.
>
> "*Dr. Jameson*—Surely that is a difficulty for the Colonies themselves to get over. . . . Surely the Cape is not going to be the dog in the manger and say Canada is not to get it. Of course Canada will get infinitely more advantage than we, but we hope to grow in course of time." (R., p. 320.)

But it was all a farce. Mr. Asquith being as

[1] *Supra*, p. 213.

complete a stranger to the life and thought of the Dominions as to practical experience of duties on competitive imports, was not less prepared to lay down the law on Colonial feeling than on the incidence of differential duties. He was satisfied that what the "Colonies"—petulant children—demanded was "even-handed preference"; that even-handed preference was impossible without taxing raw materials; therefore preference meant a tax on raw materials, especially wool; Q.E.D. The lawyer claimed that he had won his case. Such was the style and upshot of the least worthy performance to be found as yet in the twenty years' record of the Imperial Conference.

Mr. Asquith's stubborn and discourteous refusal to surrender the raw-material scare-cry is intelligible enough. That had been his own particular contribution to the platform armoury of the Liberal Party. The complete bogey of "fair" Preference, in all its logical perfection, had been presented by him to an admiring Party in the early days of the Chamberlain campaign,[1] and had been annually refurbished by the proud artificer. Possibly he entertained an exaggerated idea of its terrorising powers, which were puny compared with those of the premier bogey resuscitated from the "Hungry Forties." Still, a man is sometimes proud of his own handiwork and does not like to see it spoiled. Had the question of raw material in connection with Preference not inspired an idea for a platform bogey, it probably would never have assumed any prominence. But, since it has been and remains so much to the fore, the present opportunity may be taken to indicate what would appear to be the natural course of affairs were a Tariff Reform Government returned to power in Britain.

[1] *e.g.* in his speeches at Cinderford, Oct. 8, 1903; Wednesbury, Jan. 23, 1904.

Reason for excepting raw material.

It should hardly be necessary nowadays to state the Protectionist's case for exempting from import duty those raw materials of which the country cannot produce a sufficiency within its own borders. As both Mr. Asquith and Mr. Lloyd George inadvertently but explicitly recognised [1] — "inadvertently," because it contradicted the hackneyed arguments of their party platform—it is the normal practice of protectionist Governments to keep raw materials on the free list. Unlike food, the potential consumption of raw materials of industry in any country is not limited by the size of the population. It can be expanded indefinitely so long as the captains of industry think they can find a market for the additional output. Having free entry to Germany and other industrial countries, exporters of raw material might be able to divert their product to those markets in the event of toll being imposed on it at British ports, thus escaping the necessity of having to pay that toll themselves in order to retain their footing against favoured competition from within the Empire. On the other hand, exporters of food have at present no such alternative duty-free market, since Germany and other importing countries maintain a higher tariff, in the agricultural interest, than is contemplated or would be politically possible in industrial Britain. In any case the consuming power of the alternative markets for food, were such to be found, would be limited in proportion to population; and so the necessity for selling a surplus in Britain would remain. In these circumstances, while duties on food may be welcomed as a means of deriving a large "non-tax" revenue, it would appear to be "madness" —as the Australian Minister of Trade and Customs declared [2]—for Britain to levy duties on raw material; unless, indeed, in consideration of a commercial or

[1] R., pp. 313, 362.

[2] *Supra*, p. 185.

political *quid pro quo* of greater magnitude than appears at present to be immediately possible.

The right policy of Preference in Britain; first stage.

Assume, first, the contingency of the new Government being composed of Tariff-Reform "extremists," as avowed Protectionists are dubbed by their opponents. The most "extreme" procedure within the limits of apparent possibility would be for the Government to begin by instituting a tariff on the lines already proposed by Mr. Chamberlain's Tariff Commission in its series of reports. Crude raw materials, such as wool, cotton, and timber in the rough, would be on the free list. Other and dutiable products would not be exempt when imported from within the Empire, but would be charged at a lower rate than foreign products; the purpose being to give a first preference to producers within the United Kingdom, and to safeguard the tariff revenue against extinction through the gradual displacement of foreign by Colonial supplies. This would be in accordance with Mr. Deakin's exposition of general principles. It would accord with the practice of all the Dominions; since they, generally speaking, give preference to British imports by reduction of duties rather than by exemption. Also it would fulfil the Resolution of 1902 which, seeking to establish a system of general application within the Empire, proposed that preference should be given in Britain by either (*a*) "exemption from" or (*b*) "reduction of" duties "now levied or hereafter imposed." In order to establish this national and preferential tariff it would no more be necessary or even expedient for the British Government to consult the Dominions than it was for them to consult Britain when they severally were instituting the existing preferences, which in each case was done without any such consultation. Thus, by the unfettered exercise of Britain's autonomy,

Imperial Reciprocity would have been actually established and the basis of United Empire secured in perpetuity, without any bargaining at all. The first stage in Reciprocity would have been accomplished without any duty in Britain on raw materials.

The right policy; second stage.

The next stage would be that of "preference for preference," "concession for concession," as Sir Wilfrid Laurier has frequently described it. Equipped at last with a national and preferential tariff, the British Government would make known its willingness to negotiate with the Dominions singly or collectively (it would not matter which, assuming the adoption of the inter-Imperial most-favoured-nation principle) for a mutual increase of preferences. In accordance with the traditional practice of commercial bargaining both sides would, presumably, ask for a good deal more than they expected to get. British Ministers might intimate that in return for the complete abolition of the Dominion duties on British imports they would be prepared not only to place all Dominion products on the free list—thus establishing complete Free Trade within the Empire—but even to increase further the margin of preference by raising the duties on competing foreign products above the limits proposed by the Tariff Commission and already *ex hypothesi* embodied in the British tariff. On the other side Australian Ministers, for example, might intimate that if the reciprocal preference in Britain were to include raw wool they would be prepared to go much further in the direction of Free Trade within the Empire than if wool were excluded from the scope of the arrangement. In the end, to judge by the familiar examples of commercial negotiation, a compromise would be struck. Australia, and the other Dominions, would probably secure total exemption from the British duties; but no preference on raw materials, which

would remain on the general free list. Britain for her part would secure a large increase of preference in the Dominions, on the lines indicated by Mr. Deakin, but not to the extent of complete Free Trade. Free Trade within the Empire would have to wait until the national phase of patriotism had risen into the Imperial phase, and the precise location of industries within the Empire had ceased to be a matter of paramount importance to the several peoples, who would then be concerned only for the aggregate result in employment and wealth. Meanwhile, in the penultimate stage, Imperial Reciprocity would have been carried by bargaining to a degree which had been unattainable under the initial system of independent preferences—and still without any duty on raw materials.

The wrong Preference policy in Britain.

Unfortunately matters might not take so orderly, logical, and frictionless a course. The British Government which makes the first move towards Imperial Reciprocity seems hardly likely to be composed of "extremists" and men who understand the Dominions. More probably, as events are now shaping, the Government would consist at best of half-and-half Tariff Reformers, and would be susceptible both to free-trade wirepulling and to antiquated reminiscence of the old Colonial relationship. Such a Government would instinctively try to shield itself behind the Dominions in introducing its tariff-reform proposals. Certain Ministers, and a host of party advocates, would represent the change as being required primarily in order to please "our Colonies" rather than for any strictly national object. The Government would refrain from producing or instituting any new tariff until the Imperial Conference had been consulted, if not specially summoned for the purpose (as Mr. Balfour proposed in criticising the fiasco of 1907). Imperial negotiations having thus taken place, the Ministerial

Party would sooner or later ask the country to endorse the new duties for which "our Colonies" had stipulated. Their free-trade supporters, claiming to represent the cream of the national intellect, would urge the acceptance of this "sacrifice" in the Imperial cause. The other Party would either denounce the enrichment of prosperous Colonial farmers, or would attack the exemption from duty of Colonial products as a gratuitous sacrifice of revenue; or, more probably still, would raise both cries together. (Mr. Balfour, it may be noted, has pledged himself in advance to the principle of free Colonial produce, so that his opponents would not allow this concession to pass as part of any "bargain" for increased preference in the Dominion markets.) In any case the Imperial fat would certainly be in the fire. Meetings of Liberal compatriots throughout the Dominions would cable resolutions to the effect that they did not want preference on such terms, to the bewildered exasperation of Unionists in Britain who honestly thought they had been fighting the Empire's battle. Nevertheless, when the conflagration had finally subsided, the Empire would be found to have emerged stronger than it was before the trouble began. But the necessity for any duty on raw material does not seem to arise on the hypothesis of party muddle any more than on the more hazardous assumption of a statesmanlike procedure. On the contrary, the sheer timidity of the party muddlers would surely render them even less likely than the statesmen either to receive such a proposal from the Dominions or to entertain it if they did. Despite the avoidable friction of muddle, the finally resulting system of reciprocity might very much resemble the other in substance, at least so far as any reason to the contrary can now be foreseen.

In either case no duty on raw material.

Mr. Asquith's "final word" was that, though Imperial Reciprocity was absolutely inadmissible, there were other ways in which it was "not only the interest but the duty of the Imperial Parliament to promote the commercial interests of the rest of the Empire." Not, it will be observed, the commercial interests of the Empire as a whole. His spontaneous phrase, "the rest of the Empire," again illustrates his attitude of mind, regarding the Colonies collectively as a parasitical appendage, accidentally and inconveniently attached to the British Parliament, which was under the disability of having to do something to keep them quiet. He referred approvingly to the suggestions made by the several Premiers about commercial intelligence, maritime communications, Suez Canal charges, and emigration. "If"—in the event, a vital proviso—any of these schemes could be "reduced to a practical form and shown to be of a workable character," there would, he promised, be no lack of co-operation, nor, speaking as Chancellor of the Exchequer, "of the necessary material assistance." For the moment the British Government seemed really to have succumbed to the feeling that for their credit's sake they must make some show of practical concession to a policy which was not their own, but was the alternative and rival to their plan of peace and prosperity through general disarmament and universal Free Trade. In such circumstances the truth of the proverb, "where there's a will there's a way," is apt to be illustrated by negative example. At any rate the co-operative mood of the British Government was destined to flicker out very soon.

Asquith's "other ways."

Mr. Lloyd George dealt with the subject in a more friendly spirit,[1] being temperamentally nearer than his Whig colleague to the life and feeling of the

Lloyd George's speech—no "Limehouse."

[1] This was cordially recognised by Mr. Deakin. (R., p. 423.)

Dominions. But for his unfortunate servitude to a committed party he might have taken a leading part in the furtherance of the Imperial cause. As matters stood he was bound, equally with Mr. Asquith, by the exigencies of the party platform. He was loyally careful throughout to take it for granted, irrespective of what the Dominion representatives had said or might say, that Imperial Reciprocity implied duties on raw materials.[1] Like Mr. Asquith, he was obviously embarrassed by the Cape suggestion that preference should be given simply by a reduction of existing British duties. But when brought up against that proposal, instead of invoking the Fetish he adroitly turned off to another part of the subject.[2]

Free Trade within the Empire.

Observing that the discretion of the Dominion Governments also was limited by the "mandate" of their respective constituents—Mr. Deakin, for example, was restricted to so much of Imperial Preference as would be compatible with National Protection—he ingeniously took credit to the British Government for not trying to manœuvre the Colonial Premiers into a betrayal of their trust, *e.g.* by urging them to accept a policy of Free Trade within the Empire, like the German Zollverein, which would commit them to admitting British imports "on the same terms exactly as Colonial goods are permitted to enter our market, without toll or tariff." This was an inaccurate account of the existing fiscal system in Britain, and the less excusable considering that the Cape and Natal representatives had based their plea on the fact that liquors, tobacco, sugar, and tea were dutiable already in the British tariff. Nor is it clear from the above quotation that Mr. Lloyd George's idea of a Zollverein included both essentials of that system, under which internal Free Trade is neces-

[1] R., p. 396. [2] R., p. 359.

sarily accompanied with external Protection. Mr. Deakin, for his part, was not prepared to exclude discussion of the Zollverein proposal: "If you are willing to give up your Customs revenue we might have something to propose."[1] Later on he said that such a proposal, if seriously put forward, "would be worth the very best consideration of all the Dominions."[2] But, in passing, it may be observed that there was and is an important difference between the two proposals, that the Dominions should abandon Protection and that Britain should abandon Free Trade. By general assent, the fullest liberty of national self-development is at present fundamental to the well-being of the Empire. But in new countries, if not in old ones, national self-development is impossible on the economic side—always the most vital because it is primary—without fiscal Protection. A protective tariff is at once the expression of the national idea and the instrument of a national policy. The Zollverein proposal challenges, therefore, the political basis of the Empire, whereas the Reciprocity proposal is innocent of that extravagance. Under pressure of protests against fetish-worship the British Government had by this time abandoned the ground which the Liberals had taken at the outset of the fiscal controversy. Despite occasional reversions to it—*e.g.* Mr. Asquith's in the speech described above—they were now in the habit of declaring that in their view Free Trade was not an inviolable principle, but only a fiscal expedient of proved utility. That, in fact, was Mr. Asquith's own defence,[3] characteristically self-contradictory, of his own refusal to countenance an experiment which he said would violate the "principle" of Free Trade. The difference between the Zollverein proposal and the Reciprocity proposal is,

[1] R., p. 361. [2] R., p. 423. [3] R., p. 317.

therefore, the difference between abandonment of a fundamental conception (that of Partnership as distinguished from Federation) and modification of a mere expedient.

Lloyd George's protectionist views.

Mr. Lloyd George went a long way towards recognising the political value of economic interdependence:

> "We heartily concur in the view which has been presented by the Colonial Ministers that the Empire would be a great gainer if much of the products now purchased from foreign countries could be produced and purchased within the Empire. In Britain, we have the greatest market in the world. We are the greatest purchasers of produce raised or manufactured outside our own boundaries. A very large proportion of this produce could very well be raised in the Colonies, and any reasonable and workable plan that would tend to increase the proportion of the produce which is bought by us from the Colonies, and by the Colonies from us and from each other, must necessarily enhance the resources of the Empire as a whole. A considerable part of the surplus population of the United Kingdom, which now goes to foreign lands in search of a livelihood, might then find it to its profit to pitch its tents somewhere under the Flag, and the Empire would gain in riches of material and of men. We agree with our Colonial comrades that all this is worth concerted effort, even if that effort at the outset costs us something. The federation of free Commonwealths is worth making some sacrifice for. One never knows when its strength may be essential to the great cause of human freedom, and that is priceless." (R., p. 362.)

His irrelevant argument.

He too, therefore, expressed a desire to find other ways of commercial co-operation. But, passing by that problem, he expatiated on the prosperity of Britain under the existing fiscal system as proved by statistics, not of social welfare but of commerce. All this was

hackneyed stuff, and beside the point. What he should have attempted to show was that Imperial Reciprocity would be disastrous to Britain commercially; which was not proved by any facts of present prosperity. To justify the objection based on "dearer food" he would have had to prove that the Premiers were completely mistaken in the inferences they had drawn from actual experience in their own countries that differential duties, on the scale and under the conditions proposed, are not necessarily a tax on consumers. A successful demonstration on those lines would have been relevant to the proposals which the Premiers had put forward, and would have proved that the cause of Imperial union must be abandoned as hopeless because a policy of economic inter-dependence was precluded by Britain's primary needs. But Mr. Lloyd George missed that relevant line of argument. Whenever he approached it, he did so with some admission against the official case which he had to support. He came perilously near betraying the ark of the party covenant when, referring to an interjection that the shilling corn duty of 1902 had not been visible in the price, he remarked:

> "I should not be a bit surprised if it were the fact; at any rate I have not gone into the matter." (R., p. 376.)

Nowhere did he make any attempt to argue that any reasonably probable effect of the required food duties on the cost of living would more than offset the benefit of an assured and substantial advantage over foreign competitors in the most expansible markets of the present century. His assumption was that because the corn duty had been raised in Germany, where the agrarian interest dominates the

constituencies, it would eventually be raised to the same extent in Britain, where the urban vote predominates. Yet this was the same politician who a few years later was ridiculing those who ventured to oppose his land tax—"only a copper"—with the "thin end of the wedge" argument, which the Government rightly objected could be adduced against any attempts at progress in any line whatsoever. Less dogmatic than Mr. Asquith, he admitted that Mr. Chamberlain had been right about British trade with protected countries:

Admits Chamberlain's contention.

> "When Mr. Chamberlain first raised the point in the year 1903, the trade to protected countries had gone down very seriously. It is no use shutting our eyes to the fact that it was due, of course, to the imposition of tariffs against our goods." (R., p. 371.)

Advantage of Preference.

But he went on to point out that exports of British manufactures to these protected countries had in the last four years increased by 26 per cent., while to the Colonies they had increased by only 14 per cent. One would have thought that this argument, so far from minimising the importance of the system of preference, showed the urgent need for an increased measure of it; especially as a little later on Mr. Lloyd George admitted its effectiveness:

> "Let me here express for the Board of Trade, whose duty it is to watch carefully all that affects our trade in all parts of the world, our appreciation of the enormous advantage conferred on the British manufacturer by the preference given to him in the Colonial markets by recent tariff adjustments. The Canadian preferential tariff has produced a marked effect on our export trade to Canada. It is true that it seems to have benefited Canada to an even larger extent than it has profited us, for I observe from our Trade Returns that our purchases from the Canadian

> producer have increased, and are still increasing, by leaps and bounds, and I attribute the improvement in trade between Canada and this country very largely to the wise policy of reducing the duties on goods imported from the Mother Country which Sir Wilfrid Laurier initiated in 1897." (R., p. 387.)

In the other Dominions the preferences had not been in operation long enough for their effects to have become apparent; but Mr. Lloyd George expressed his conviction "that in some measure the happy results which have ensued from Canadian preference will be repeated in these cases." And yet Reciprocity, implying both a guarantee and an extension of these benefits, was to be ruled out of court simply lest certain "food duties" should have an effect which Mr. Lloyd George could not say had followed the sufficiently similar duty of 1902. The Minister was sailing the party ship pretty close to the rocks; and he now hastened back to clearer water. The mother country, he explained, regarded these Colonial preferences as a token that the Colonies wished to "express their gratitude." While this implied that no reciprocity was insisted upon:

The gratitude theory of Preference.

> "There is something in Dr. Jameson's resolution which looks perilously like it, but I am sure that the Colonies would not wish to present their case in that form, as they know it would detract from the real value of their action and certainly from its spontaneity." (R., p. 387.)

South Africa, under General Botha's guidance, was destined in a few years' time to furnish a very practical commentary upon the "gratitude" theory of unilateral preference, by proposing to abolish the concession and devote the additional revenue gained by taxing British imports to the strictly national purpose of defence. And it may here be remarked

that Newfoundland, the only one of the Dominions which has not yet accorded any preference to Britain, happens to be the one which apparently would have the least to gain by reciprocity in the British market; a coincidence which seems to support the view that the motive of unilateral preference has been the idea that it would accelerate Imperial Reciprocity.

Tariff Reform "dead" in 1907.

Another line of argument which Mr. Lloyd George adopted readily as a party politician was that any way the question of Reciprocity had been finally settled by the last (1906) general election. Subsequent events have furnished a sufficient commentary on that.[1] He was on firmer ground when he drew the attention of the Dominion statesmen to the shifty attitude of the Leader of the Opposition; and he warned them, with all the authority of one not unable to influence the course of affairs:

> "You may have some other great issue precipitated into the arena, which will divide parties and recast them . . . you must not assume too readily that the question of preferential tariffs is going to be, I will not say a dominating factor, but even a factor at all in the next appeal by the other party to the electors of this country." (R., p. 389.)

That, no doubt, was how the defensive strategy of Free Trade was already shaping in the ministerial mind; foreshadowing the events of the next four years. What the unconstitutional Budget of 1909 failed to do, the No-Veto revolution of 1910–11 came near accomplishing, with the timely aid of an American Reciprocity agitation across the Atlantic.

Accordingly Mr. Lloyd George urged the im-

[1] The Coalition majorities in the House of Commons were: in 1906, 354; in 1910, 124. Since the Coalition includes 82 Irish Nationalists, who are said to be Protectionist, though they subordinate Tariff Reform to Home Rule, it appears that there is no longer a genuine majority for Free Trade.

portance of devoting consideration forthwith to other possibilities of commercial co-operation which were not so controversial. He commended the several suggestions made by Sir Joseph Ward. They were worth "most careful consideration." But he at once went far to reduce the alternatives by ruling out shipping subsidies; a Select Committee having lately condemned the principle except in very special circumstances, such as those of the trade with East Africa. As to combined through rates, he hinted at "a reconsideration of the whole problem of our railway system," with a view to profiting by Germany's example. He explained that he could not promise anything definite at once; but he had been seeing experts in regard to the All-Red mail proposition. He concluded his lengthy address with a characteristic appeal (recalling the Prime Minister's statement about thirteen millions "on the verge of hunger") for pity on the masses struggling with "unendurable poverty," in a country which was at once "the richest under the sun" and the most steeped in misery—though of course Free Trade was in no degree responsible for that unhappy coincidence.

Lloyd George's "other ways."

Last of the British quartette came Mr. Winston Churchill. Nominally he was to discuss "the effect of a system of preference upon the course of parliamentary business"; but he could not resist reiterating the old, wearisome, party scare-cries. He refused to accept Mr. Deakin's postulate of fiscal autonomy as disposing of the indispensable scare-cry that the Colonies were asking for taxes on raw materials. He charged the Australian Premier with parrying an awkward question with a "correct" answer. After all, there was some advantage in intuitive omniscience:

Churchill's speech.

His loyalty to his leaders.

> "That request, if it is to be given effect to in any symmetrical, logical, complete, or satisfactory, or even fair and just manner, must involve new taxes on seven or eight staple articles of consumption in this country. I lay it down, without hesitation, that no fair system of preference can be established in this country which does not include taxes . . . on wool and leather and on other necessaries of industry." (R., p. 401.)

A "symmetrical, logical, complete, satisfactory, fair and just" system; such are the exacting conditions to be satisfied, it appears, before any nation can enter into reciprocal trade arrangements with any two or more nations at the same time. How long will it take these politicians to discard a hypothesis of the Colonial relationship which for all practical purposes may justly be described as antediluvian? Must the Empire wait for the whole generation of them to reach their graves before it can cast off the incubus of the notion that the Dominions are a bevy of infants crying to mamma for a "fair and just" distribution of sugar-plums? Such, however, has ever been the thraldom of the party system on the intellect of the professional politicians whom it creates.

But the Under-Secretary's main thesis, and a perfectly tenable one, though Mr. Deakin had something to say about it presently, was that the addition to parliamentary business, and the more extensive friction of commercial interests which Reciprocity would bring, ought to be considered a decisive reason for rejecting that policy.

His "family" Empire.

The British Empire existed, he argued, "on the principles of a family and not those of a syndicate." That, it may be remarked, was not the view taken by Mr. Asquith, whose very last words in

the debate were a protest against the principle of treating "foreigners and the Colonies as it were differently";[1] and it was indeed a curious conception of "family" which "banged and barred the door," as Mr. Churchill boasted publicly,[2] against the principle of economic preference, which is the very origin of family life.

"Locked preferences."

But the pushful Under-Secretary had not yet finished piling up the agony. Reciprocity would conflict with the root-principle of "self-government,"[3] because it implied "locked preferences"—such, in fact, as Canada, the protagonist of Colonial autonomy, was about to arrange with France and other foreign countries.

His *a priori* economics.

Apologising to the chairman for exceeding his bounds, Mr. Churchill proposed to "trench for a moment upon the economic aspect," on which presumably he felt that he had something new and conclusive to say. Preference, he declared, meant nothing if it did not mean an increase of prices:

> "*Dr. Jameson*—Oh no. It will make a much larger volume of trade, which is often better than better prices.
>
> "*Mr. Churchill*—I assert, without reserve, that preference can only operate through the agency of price . . . the operation of preference consists in putting a penal tax upon foreign goods, and the object of putting that penal tax on foreign goods is to enable the Colonial supply to rise to the level of the foreign goods plus the tax. . . .
>
> "*Dr. Jameson*—If you use the words 'more profit' instead of 'better prices,' then that will explain the thing.

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[1] R., p. 439. [2] *Supra*, p. 180.

[3] Criticising the same objection to his American Reciprocity Agreement in 1911, Sir Wilfrid Laurier described it "as an insult to the intelligence of the Canadian people." (Canadian House of Commons, March 7, 1911.)

> "*Mr. Deakin* — Wholesale production is always cheaper than retail. It would be a great advantage to our farmers if they could simply increase their acreage at existing prices. On the whole transaction, without the alteration of a farthing in prices, they then would be much better off, because they would cultivate a larger crop more cheaply, transmit it more cheaply, and get the shipping accommodation more cheaply in bulk."[1] (R., pp. 403–4.)

It had not occurred to the infallible Under-Secretary, when he snapped his retort at the Cape Premier, that in commerce "price" is not an end in itself but is only important as a channel of profit. What really matters, therefore, to producers is the margin between selling price and cost of production. Anything which lowers the cost of production (*e.g.* larger business) and marketing (*e.g.* exemption from tolls) is effective for adding to profits without involving an increase of price.

His anti-patriotic threat.

Reverting to his original thesis, Mr. Churchill hinted not obscurely that if Reciprocity were ever established he would lend a hand in a patriotic movement to "organise and create anti-Colonial sentiment," by preaching to the populace that, whatever the trade figures might appear to show, they were being taxed on their food for the benefit of Colonial farmers. Resentment, he argued, would be all the greater, seeing that these "taxes would be irremovable because fixed by treaty." But another of his objections to them was that "the introduction of the seven or eight taxes into the Budget every year" would mean that they would be continually under review. (Mr. Deakin was not slow to note the flagrant inconsistency.) Suddenly forgetting about the "family" principle, he deplored the present and pro-

His contradictory arguments.

[1] *Cf.* Lyne, *supra*, p. 200.

spective spectacle of the British Government having to defend "the purely domestic, internal fiscal system of this country" against the "severe though perfectly friendly and courteous criticism" of the other self-governing communities. There would be appeals, he apprehended, over the heads of the respective Governments to the party organisations which supported or proposed them—a practice which, it may be observed, whether good or bad, had already been initiated by those British Labour Members who had sent an appeal to the Australian Labour Party in connection with the recent Commonwealth elections.[1] Like his senior colleagues, he looked forward to progress in "making roads across the Empire," not "building walls" (the old scare metaphor again). In his vision there might some day be complete "Imperial unification." If he meant organic unity, this has never yet been achieved anywhere except on a basis of conscious economic inter-dependence. He hoped that 1907 would be remembered by a grateful posterity "as a date in the history of the British Empire when one grand wrong turn was successfully avoided." Truly, posterity will remember that session, and will award to that Government, in the name of United Empire lost or won, the same meed which is already secured to Mr. Gladstone by a generation able to ponder the completed story of how South Africa came to union after fifty years of sorrow.

Lyne—Australian native's views.

Sir William Lyne, the Minister of Trade and Customs for the Commonwealth, had the distinction of being an Australian visiting the land of his fathers for the first time, which lends a special interest to his point of view. Immediately and repeatedly he deplored the tone of the Chancellor of the Exchequer's speech, which had struck him as being "alien to

[1] *Supra*, p. 206.

Britain's Colonies; it was treating the British Colonies on a par with foreign nations." He could not carry the idea of fiscal independence so far as that. But he laboured under a sense of hopelessness after hearing Mr. Asquith. Judging by the way in which their arguments had been met, they might "talk for the next six months" without "the slightest hope of altering the position." The Australian desire for preferential trade relations was not "absolutely a commercial desire"; it was more of an "instinctive" feeling:

"We came here primarily to deal with this question. It is not the last, the laggard question, of the Conference in our estimation, nor is it so in the estimation of our people. It is the primary reason, if I may so term it, for our being here to-day.

Australians not mendicants.

"Speaking from the standpoint of an Australian who has never before been out of Australia, I do not come here, and I think my Prime Minister does not come here, to plead in an abject way for anything. We do not come here to filch anything. We do not come here with a view to place the British consumer in a worse position than he has been in. But, speaking as a representative of the greatest, though most distant part of the Empire, I desire clearly to lay before you matters which seem to me to be of great moment to the Empire, and I do not speak with any wish of derogation from that great country, Canada. If, however, Sir Wilfrid Laurier will look up statistics, he will find that the export trade of Australia last year was nearly £14,000,000 more than Canada, and the total trade of Australia I think, from memory, is nearly £5,000,000 more than that of Canada; this when we have hardly commenced, as I say, to develop our country. . . .

Foreign trade sucking the life-blood.

"During my lifetime in the southern hemisphere I have seen changes occur of startling moment to the Empire, and I feel it my duty to speak to this Conference, and try to give them some idea of these

changes which have and are now even to a greater extent taking place, so far as we are concerned. The changes I refer to are hard, solid facts—to which we in our distant country cannot close our eyes. They are gradually sucking away the trade—and I say this advisedly—and with it the employment and life's-blood of the people of the Mother Country, and I also say that because the trade would be here were it not being forced to foreign countries; and the employment, too, would be here. I feel that these changes are attacking the very heart of the Empire, and I want it to be understood, with your permission, that I am a strong Britisher. Why? Because my father came from Britain, and because my grandfather came from Britain; but as each new generation comes it has been presented to me very vividly that you want something more than that to keep up the interest that hitherto has been held by our forefathers and ourselves in Great Britain, and nothing will do that so well as closer unity in commerce. That is one thing that I am very anxious for. I see the younger generation callous to some extent; thoroughly loyal in a sense, but callous. That is not so with the original stock, who were imbued with the feelings of their fathers and grandfathers in regard to Great Britain. This has impressed us very keenly." (R., p. 327.)

"Callous" young Australia.

Britain, he ventured to submit, was more vitally interested than Australia in this trade question; because other purchasers might eventually be found for the growing output of Australian raw material, and it would simply mean that while Australia got the money Britain lost the employment for her people. At the same time:

Economic compulsion.

"I do not want you to be misled by those who tell you that if Britain refuses the preference suggested, we shall of necessity make treaties elsewhere. No, Australia is loyal, but that action may compel us to sell our wares to the foreigner instead of Britain,

> and we are doing it to a very large extent in some parts now. We can only warn you of what we see, and when you have the full knowledge of things before you, we must, as has been said to-day, and said more than once, leave the matter entirely in the hands of the British people." (R., p. 328.)

Among exceptional causes of the British decline he mentioned that goods were being carried from America *viâ* Britain to Australia at from 15s. to 20s. less per ton than the rate from Britain direct. In his view the duties necessary for Reciprocity would give Britain an additional revenue, which might be as useful there as it had been in Australia for purposes of social legislation, "not at the expense of the consumer but at the expense of the foreigner." He would not advocate the proposal for a moment were he not as fully convinced as Sir Joseph Ward that it would lighten rather than intensify the struggle of life for the British populace. The effect of Preference in expanding the area under cultivation in Australia, which would result from the greater economy of production and transport on the larger scale, would imply an additional population of "at least 200,000 more men—Britons," who with their families would be purchasers of British manufactures. He suggested that the British people might be asked "by way of referendum" to say whether they were in favour of closer Imperial union.

Effect of Reciprocity.

Dr. Smartt, the Cape Premier's colleague, followed the Australian Minister and endorsed his principal points. According to his impression Mr. Asquith's speech had been a "brilliant example of special pleading":

Smartt on Preference.

> "It was a speech which, perhaps, might have been admirably delivered in support of the doctrine of Free Trade as against any controversion of that doctrine, but I must say I did look for some more sympathetic desire,

> while maintaining the doctrine of Free Trade (with which we, as members of this Conference, do not want in any way whatsoever to interfere) to try and arrive at some arrangement whereby the differences which separate us might be bridged over instead of meeting us with the proposition that it was absolutely and entirely impossible." (R., p. 344.)

The native-born.

He, too, felt that the Imperial conception was not quite the same thing for the native-born as it had been for the immigrant generation :

> "This is absolutely certain, that you have now in the British Colonies large numbers of people who either were born in Great Britain or who have had intimate associations with Great Britain, but as your Colonies increase in size, as your population increases more and more, there will be vast numbers of those people who cannot have the old attachment and the old sympathy with the Mother Country that existing colonists have, and I feel convinced that in the distant future, if something is not done to unite more strongly than by mere sentiment the bonds of Empire, the result may be such as many of us here would not at all wish to contemplate." (R., p. 345.)

Cape Colony's practical Preference.

He went on to urge the reasonableness of Britain giving preference on wine and tobacco under her existing tariff, leaving aside non-essential questions about wool and other articles. To show that Cape Colony was in earnest in regard to the principle of Preference he mentioned that the Agent-General had instructions to allow British manufacturers an advantage of 10 per cent. in respect of tenders for railway material. This concession had cost the Colony £125,000 on a recent order for £1,250,000 worth of rolling stock, which could have been bought cheaper on the Continent ; but their aim had been to strengthen British rather than foreign commercial and naval power. In the South African market Germany had

been making great strides, and only the 25 per cent. preference in the tariff of the Customs Union had prevented a large diversion from Manchester of the trade in the cheap prints which the natives fancied.

Food supply in war.

As to the food-tax bogey, how would naval supremacy avail to save Britain if a combination of the foreign countries on which she depended for corn could starve her into submission, without firing a shot, simply by withholding supplies?

Laurier on Preference.

It remained for the Prime Minister of the senior Dominion to fulfil the intention he had announced of moving the readoption of the 1902 Resolution, which urged *inter alia* the expediency of reciprocal preference in Britain. Though the British Ministers seem to have built great hopes on his co-operation in defeating the forward group, Sir Wilfrid Laurier quietly paid them back in their own coin by simply ignoring the arguments they had adduced:

> "At the opening of this debate I stated that, for my part, I intended at the proper time to move again the resolution which was affirmed by the Conference of 1902. I have listened with very great interest, as everybody has, and very great attention also, to everything that has been said, and I see no reason at present to change the opinion which I formed then." (R., pp. 407–8.)

Ignoring entirely the partisan arguments of the British Ministers, he confined himself to the real questions of principle and method. Allusion had been made to the German Zollverein by Mr. Deakin and others. Sir Wilfrid Laurier proceeded to deal with that idea as he had often dealt with it before. In the case of Germany, commercial union had preceded political union; but in the British case political unity already existed to the extent of allegiance to a common Crown. Could commercial union follow?

Free Trade within the Empire.

"If it were possible for us to have a system of Free Trade over the whole British Empire, and a customs cordon around the British Empire, for my part I would accept this as the very ideal of what the British Empire ought to be. I have expressed the opinion more than once and I will express it again. The Americans have a system of Free Trade amongst themselves covering forty-five States now, with a population of over 80,000,000 people. The Germans have a system of Free Trade among themselves covering nearly 60,000,000 people. . . . If it were possible to have a system of Free Trade covering the whole British Empire with its population of something about 400,000,000, it would undoubtedly be one of the greatest benefits that could be given to the British Empire, and, perhaps, to the world. Unfortunately this cannot be done, and for two reasons. First, the British people, as I understand at present their political opinion, are not prepared to limit their system of Free Trade even to the extent of the boundaries of the Empire. The other reason is, that the self-governing Dependencies which are here represented are not prepared to extend the system of Free Trade to the limits of the British Empire, nor even to the extent of their own boundaries. These factors are here before us, and we must accept them as they are." (R., p. 408.)

In Canada, he pointed out, the Dominion had "only two sources of revenue—customs and excise—no other. We have no income-tax, and no direct taxation of any kind." So Canada must insist on retaining a tariff for revenue. But she had modified her tariff with British Preference:

Motive of British Preference in Canada.

"Why did we do it? We did it because we were intensely convinced in the country which I represent that a great advantage would accrue from preferential trade within the Empire. We could not do it in any other way. We gave our preference to the British products in our country. We did it deliberately, and

have had no cause to regret it since. . . . We have in some cases increased it, and in some cases decreased it; but on the whole we have maintained the 33⅓ per cent. (rebate). This has been adopted without any serious challenge even on the part of the Opposition. . . . We believed in the system of preferential trade, and believed and now know that, by adopting this system, we would improve our trade, that is to say, we believed that the British people would buy more from us and we would sell more to them, and that has certainly been the result of it."[1] (R., p. 409.)

Fighting nature with science.

Mr. Asquith had not been satisfied with the result, complaining that the United States—which sent much raw and semi-raw material to Canada—still enjoyed more favourable treatment on the whole than Britain in the Canadian tariff. Without disputing the figures, Sir Wilfrid Laurier argued that they put a misleading complexion on the Canadian policy:

"We have done everything that we could—that has been our policy—to throw the whole of our trade towards Great Britain. . . .

"So far as legislation can influence trade we have done everything possible to push our trade towards the British people, as against the American people. . . .

"Not only have we done it by preference, by legislation, but we have forced our trade against the laws of nature and geography. If we were to follow the laws of nature and geography between Canada and the United States, the whole trade would flow from south to north and from north to south. We have done everything possible by building canals and subsidising railways to bring the trade from west to east and east to west, so as to bring trade into British channels. All this we have done, recognising the principle of the

[1] Another reason, often put forward by Canadian Ministers in their own country, was that the rebate on British imports meant a reduction of taxation to Canadian purchasers of manufactured goods. *Cf.* vol. i. p. 356.

great advantage of forcing trade within the British Empire.

"This principle we recognise. We are bound to say that though the preference which we have given has not done as much, perhaps, for British trade as the British merchant or manufacturer would like, we have told the British people at the same time that there is a way of doing more. There is the preference of mutual trade, and that was what we had in view when we adopted in 1902 the resolution of that year. Reciprocity needed to complete the system.

"Let me read out to the Conference the Resolution of 1902. . . . . 'That the Prime Ministers of the Colonies urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies, either by exemption from or reduction of duties now or hereafter imposed.' My friend, Mr. Deakin, speaking on behalf of Australia, has proposed to go one step beyond this and to adopt this resolution: 'That it is desirable that the United Kingdom grant preferential treatment to the products and manufactures of the Colonies.' Perhaps, on consideration, Mr. Deakin would agree with us, that it would be preferable not to force this, but to keep to the Resolution of 1902. We are all agreed at this table—those who come from the Dependencies beyond the Seas—that we have no desire and no intention of forcing a policy which we believe in, upon the British people, if they are not prepared to receive it. I have stated a moment ago that a statement had been made—we heard it in 1902, and we hear it again in 1907—that the Canadian preference has not done as much for British trade as had been hoped for. I repeat, there is a way of doing it. It is by adopting a mutual system of preference. . . . The policy of 1902.

"This is a matter which is altogether in the hands of the British people, and they have to choose between one thing and the other; and if they think on the whole that their interests are better served by adhering to their present system than by yielding ever so little, it Britain to choose.

> is a matter for the British electorate. . . . I think the best way of serving the whole is by allowing every part to serve and recognise its own immediate interests. . . .
>
> "For this reason, I say it is better to agree to stand by the Resolution of 1902 as it was. I am free to say that at that time when we passed this resolution, we were induced to pass it to some extent—I will not say immediately, but certainly influenced in our determination—by the fact that at that time certain duties had been put upon cereals in a moment of urgency during the war, and we thought at that time that it would be good policy to give a preference upon these. But the British Parliament thought differently, and removed the duties instead of giving us a preference. . . . It is essential we leave to each community the extent and measure of the preference which it wants to give." (R., pp. 409–12.)

Looking back, Sir Wilfrid Laurier's statement introducing his motion to reaffirm the 1902 Resolution may possibly have had a more precise significance than was realised at the time, or he cared to express more explicitly. It was rather a subtle distinction that he drew between (*a*) urging, as in 1902, the expediency of preference in Britain, on the basis of existing or future duties, and (*b*) affirming, as in the Australian motion, that preference in Britain was "desirable." Surely the second was implied in the first. From a strictly Canadian standpoint, however, the situation had, as he pointed out in one of the passages quoted above, fundamentally changed. The corn duty—a tax on Canada among other corn-exporting countries—had gone. Whatever interest South Africa might have in the surviving duties on wine and tobacco, there was no longer in the British tariff any duty in respect of which it would be worth Canada's while to pay a price for exemption or reduction.

But though Sir Wilfrid Laurier was concerned

to lay stress on the abolition of the corn duty, he nevertheless wished to reaffirm the Resolution which that vanished circumstance had originally inspired. A sufficient explanation may be found in the words of the Resolution "or hereafter imposed," implying that, if Britain hereafter were to reimpose the corn duty, or similar tolls on other products imported from Canada, the Dominion would expect preference thereunder. But it is noteworthy that this time, in contrast to 1902, Canada did not offer to increase her British preference in return for the desired exemption or reduction of British duties. By not repeating the offer so deliberately made in 1902, did Sir Wilfrid Laurier mean it to be understood that Canada had reached the limit of her preference, whether unilateral or with reciprocity? Some colour might appear to be lent to that view by his reply to Mr. Asquith's question[1] and by the circumstances that he took pains, in the course of his speech, to argue that the Canadian preference was already much more liberal than that of the other Dominions which had since followed suit. On the other hand, it may be pointed out that he did not contradict Dr. Jameson when expressly associated by him with the general policy of offering increased preference in the event of reciprocal benefits in Britain.[2] At any rate Sir Wilfrid Laurier was not explicit in 1907 with regard to increased preference, as he had been in 1902. From Canada alone there was no "offer" this time. His suggestion that "mutual" preference would afford a way of rendering the Canadian policy more effective in British interests was not a promise to increase the extent or margin of the preference at the Canadian

No offer from Canada in 1907.

[1] *Supra*, p. 224.

[2] *Supra*, p. 214. It may be noted also that recently in the Canadian House of Commons he had affirmed the original policy, *supra*, p. 51.

end. Whatever Sir Wilfrid Laurier may have intended, there was no recorded "offer" from Canada this time as there had been in 1902.

Continuing, the Canadian Premier dealt with a matter which was creating widespread apprehension:

The "intermediate" tariff.

"I am coming to a point which was made the other day by Dr. Jameson with regard to our intermediate tariff. We have revised our tariff this year and have adopted a new principle. We had a two-column principle—a tariff for general purposes and a preferential tariff. Between the preferential tariff and the general tariff we have now an intermediate tariff. The object of this intermediate tariff is to enter into negotiations with other communities to have our trade arrangements with them. It has been supposed that this was to hit our American neighbours. With our American neighbours we should be only too glad to trade on a better footing than at the present time. We are next-door neighbours, and in many things we can be their best market, as in many things they can be our best market. We should be glad to trade with them; but it never was intended, nor thought at the time, that this intermediate tariff could apply to the United States. There was at one time wanted reciprocity with them, but our efforts and our offers were negatived and put aside, and we have said good-bye to that trade, and we have put all our hopes upon the British trade now. But there are other nations—France is one and Italy another—with which we could have better trade than at the present time. France has a minimum tariff, and we are prepared to exchange our intermediate tariff if they will exchange their minimum tariff with us. But while giving this intermediate preference, we maintain the system of lower tariff to the Mother Country, and to all our fellow British subjects all over the world. Dr. Jameson made the point that if we were to enter into such an agreement with foreign nations, we would debar the possibility of

Not for American Reciprocity

giving a preference to the Mother Country. Nothing of the kind. Our tariff is not so constructed, and cannot be so held. If we were to make an agreement with France, which I doubt whether we could, France would understand the position; she would take our intermediate tariff knowing at the same time there was a lower differential tariff under all circumstances for the Mother Country and the British Dominions.

nor antagonist to British Preference.

"*Mr. F. R. Moor*—I am sorry to interrupt, but I would like the Premier of Canada to assure us on this point. By that amount which you reduced it to any other foreign Power, you reduce your Preference with the Home Land.

"*Mr. Deakin*—And with us.

"*Sir Wilfrid Laurier*—I do not admit that we would reduce it, it would remain as it is, but the man who trades with us in Great Britain knows that he may have a competitor not upon the same lines but upon reduced lines from our general tariff.

"*Mr. Asquith*—He may have a competitor on the line of the immediate tariff, if, for instance, you came to an arrangement with France.

"*Sir Wilfrid Laurier*—That is to say, instead of having a margin of 33⅓ per cent., he may have a margin of only 25 per cent. It makes that difference, no doubt.

"*Mr. Asquith*—But it cannot alter the quantum of preference.

"*Sir Wilfrid Laurier*—No, it cannot alter the quantum of preference.

"*Dr. Smartt*—Your tariff (rebate) is now 33⅓ per cent. If you introduce an intermediate tariff the preference in favour of Great Britain or the other British Colonies that might reciprocate with you would not be 33⅓ per cent., but would be reduced.

"*Sir Wilfrid Laurier*—It could be reduced by 3 and 4, but never more than 5 per cent.; that is to say, instead of having a preference in our market of 33⅓, he would have a preference with regard to that

nation, say, of 28 per cent. That would be the limit." (R., pp. 412–14.)

Many will reflect, on reading the foregoing, that in 1907 the Canadian statesmen were embarking on a course which they do not seem to have found so easy to steer as they had expected. But there was one more matter to which Sir Wilfrid Laurier desired to call attention. He held that Canada had a "well-founded" grievance in the British regulation forbidding the importation of live cattle lest disease should be introduced to British herds. He declared that the effect was to brand Canadian cattle as "tainted with disease," though Canada had an effective quarantine system and claimed that her cattle were just as healthy as those of Britain :

The cattle embargo.

> "It is a thing which ought not to be allowed. It is a slander upon our good name. It is a thing which rankles in our breast because we know it is not fair, and I go further, and I say that it is maintained not upon questions of sanitary precaution but ulterior motives which a Free Trade Government should not allow and uphold. . . .
>
> "If you were to say, 'We do not want the Canadian cattle to come in competition with British cattle in the market,' that would be quite another matter. That would be a question of policy for the British Government to which we would have nothing to say." (R., p. 415.)

Mr. Asquith hastened to assure the Canadian Premier of his personal sympathy. But many Englishmen feel inclined to protest in their turn against the "slander" upon the good name of their Board of Agriculture, which has quite sincerely urged successive Governments to maintain the regulation—not against Canadian cattle more than others—on sanitary grounds, and has succeeded in restraining from a re-

versal of policy even a Government whose members for the most part had actively opposed the regulation.

Moreover, Sir Wilfrid Laurier mentioned another reason which helped to explain the Canadian anxiety for removal of the embargo. "It obliges the exporter to take a lesser price" for his cattle. In Britain, on the other hand, the Free Traders were denouncing the embargo as the main cause of a rise in the price of meat. But since Canadian dead meat was not excluded from the butchers' shops, Sir Wilfrid Laurier's view of the economic result was probably the more correct one, albeit contrary to the theory that the consumer always has to pay for any restriction on imports.

Deakin's reply to Churchill.

Mr. Deakin could not allow the debate to conclude without replying to Mr. Churchill's political criticism of Preference. He protested that to insist upon a "complete, uniform, and scientifically perfect" system of Preference was to impose a condition of immediate perfection which was not and could not be exacted in connection with any other kind of budget, tariff, or financial proposal in any country. Gradual, and perhaps remote, approximations to the ideal were all that practical statesmen could ever hope for. Like every other new policy, Preference should be approached experimentally in the first instance. No preference had been, or in practice could be, proposed "in perpetuity." It could only be for a limited, *i.e.* experimental period. In these matters the representatives of the Dominions were speaking on the strength of their actual experience:

Australia's practical experience.

> "Looking at the Commonwealth, if you tell us if we do something we will have to do a great deal more, I say my experience does not warrant that conclusion. It is perfectly true a new start may establish a tendency, if it is successful, encouraging you to go further

but if it is not successful it establishes a tendency to go back. We have gone back when we have thought we have made a mistake, and gone forward when we have thought we have made a success.

Progress by experiment.

"No one, so far as I am aware, has had in view a particular negotiation with each particular Dominion. What we all had in contemplation, if Preference had approached the practical stage, was a general agreement of a simple character at first, which might in time be supplemented and extended. Its enlargement would be based on experience. . . .

"I do not say that working out a complete and uniform and perfect system of Preference is an easy thing. I only say that none of us believed or expected it can be done until after years of experience, but what we would have been quite satisfied with now would have been an experiment, no matter how small, so long as it was genuine; something tentative, something modest, even if only made by means of reductions of existing duties. We wish for something that will enable us to test experimentally, as for my part I think we ought to test, these and other similar suggestions. . . .

"Laws" of political economy.

"The Under-Secretary of State . . . seemed to convey the idea that the way even for practical experiments, for practical tests of the smallest, the simplest and most tentative kind, is absolutely barred by reason of certain beliefs which they entertain in regard to what they call the laws of political economy. That is unfortunate, because it makes argument useless; it brings you right up against a wall. . . . There is no hope of convincing a man who starts out with an orthodox faith which tells him beforehand what can or cannot be done and what can or cannot be believed, which makes everything not included in that faith heterodox unbelief, neither to be weighed nor balanced, but to be banished to the nethermost pit. . . .

"Our own experience teaches us that the field of abstract economics is as far from the actual practical considerations which operate in the daily working of

our financial and legislative expedients as are the principles of pure mathematics from the daily labours of carpenter or joiner. . . .

Preference and political friction.

"Listening to the very forcible utterances of the Under-Secretary, one naturally looks to actual experience to discover the long chain of very hazardous and serious consequences which he insists must flow in this country whenever these preferences are to be criticised, or upon which . . . comment is possible every year. What is our experience after the granting of preferences? In Canada, New Zealand, and with a shorter experience, South Africa, we have budgets as controversial, legislators just as sensitive to public opinion, oppositions just as hostile and eager to find material, sections just as able to make use of any weapon in the armoury of parliamentary procedure. We have seen all those forces in play . . . in the Dominions for a certain number of years without their furnishing us with any single instance of any exceptional abuse or injury due to the existence of their preferences, or indeed of their tariffs. . . . I do not think that the temperature of politics is any lower in the Commonwealth and its States than elsewhere. I might even be prepared to maintain the contrary from my own personal experience. But in the bitterest struggles that we have ever had upon exactly the matters on which Mr. Churchill dwelt so strenuously, when we were charged with taxing the food of the people and taxing the raw materials of manufactures, and particularly the implements of agriculturists—all these contentions, though fought out with the greatest bitterness, politically, at the moment, have vanished, and will not leave a trace behind. . . .

"We have had experience of pretty well every kind of fiscal experiment that can be devised, and every kind of strife that can arise out of it, but we have found nothing whatever in our own actual experience to justify Mr. Churchill's morbid anticipations. . . ."

In Mr. Deakin's view reciprocal preferences would

Reciprocity by treaty.

sooner or later have to be "embodied in a treaty,"[1] as he could not imagine a constantly shifting arrangement. Mr. Churchill had seemed in one part of his argument to share that opinion, but in another he had talked about taxes coming annually under review. The Under-Secretary — who seems to have left the chamber immediately afterwards in the middle of Mr. Deakin's reply to him—now explained that he had meant "criticism" only, not revision. Mr. Deakin commented:

Criticism the life of democracy.

> "Anything is subject to criticism . . . criticism we must always have. . . . I do not suppose anybody wishes to check the growth of the Empire in order to avoid criticism . . . it suggests the indulgence of a riotous imagination when we find the Under-Secretary pointing to the natural, the ordinary, the inevitable proceedings in every Legislature as ground for rejecting a new development of policy, because it must involve a clashing of interests, and the annual review of its incidence by Parliament. Is our party system to destroy everything except itself? Are we to put aside great projects because they are debatable, or close the Empire to avoid friction in the House of Commons? We cannot move without friction, nor live without differences of opinion. We cannot advance without the clash of opposing interests. Every development of self-government, and every growth of our industrial life, and every extension of the powers of the State, invite criticism and inquiry. Free criticism is the breath of our constitution. To shrink from great tasks or newer enterprises because of the greater burden they impose upon representatives, and representative institutions, means simply shrinking from growth, and the responsibilities of growth . . . he is really condemning our whole system of Government and its adaptability to modern needs. He is criticising, by implication unfavourably, that parlia-

[1] Also Sir Wilfrid Laurier's view, *cf.* vol. i. p. 369 (*note*).

mentary system which he is ostensibly at the same moment enthusiastically upholding or intending to uphold.

"His argument is also fatal to all possibilities of commercial relations, not only within the Empire, but without the Empire . . . his argument appears to me to go to the root of the Empire as an empire. It would isolate Great Britain, not only in trade but in every other operation, forbidding joint action; it would tell against every operation by agreement. It would enforce isolation. . . . The gospel of isolation.

"My general answer to his thesis is summed up in the proposition that he is like the medical man who confines his patient to an invalid chair because, if he takes exercise or performs his natural duties, he runs a risk of complications, of catching cold, of all kinds of diseases and imaginable physical accidents. I admit his aim. If you can get the British Empire into an invalid chair, you may save it from a certain number of risks, though I think those you invite by this treatment will be more serious, because debility of body threatens more dangerous results than healthy, natural occupation or exercise. Especially will it be found more depressing than a real effort to act in concert." (R., pp. 417–26.) Policy of invalid chair.

The final phase of this historic debate was the formal submission of resolutions, each member of the Conference being asked in turn to vote. Mr. Deakin accepted Sir Wilfrid Laurier's suggestion that instead of the new Australian resolution (affirming that preference in Britain was "desirable") the old one of 1902 should be re-adopted in its entirety. The Canadian Premier thought that the old Resolution had the advantage of avoiding any appearance of "dictating" to the United Kingdom, since the language did not suggest that any new duties ought to be imposed. In fact, however, the 1902 Resolution did clearly imply that it would be expedient for the Haggling over resolutions.

United Kingdom to reduce or abolish the existing duties on wine, tea, tobacco, cocoa, sugar, &c., imported from within the Empire. That point did not escape the vigilance of the British Government, who insisted, through Lord Elgin,[1] on recording their dissent from the Resolution "in so far as it implies that it is necessary or expedient to alter the fiscal system of the United Kingdom."

The British resolutions.

The British Government had a resolution of their own to propose:

> "That this Conference, recognising the importance of attaining greater freedom and fuller development of commercial intercourse within the Empire, believes that these objects may best be secured by leaving to each part of the Empire liberty of action in selecting the most suitable means for attaining them, having regard to its own special conditions and requirements." (R., p. 429.)

Dr. Jameson saw through it at once:

> "We have said, the members of this Conference outside His Majesty's Government are in favour of preference as a method of the unity or whatever you like to call it. His Majesty's Government gives a direct negative, and we are both to vote for liberty of action, so it means nothing. We all agree we are to have liberty of action, but what is implied in this is that we are voting Yes is No and No is Yes." (R., p. 431.)

Mr. Asquith insisted, however, that the words about liberty of action were the least dispensable part to the British Government. In the end, at Dr. Jameson's suggestion, an amended resolution was passed with the safeguarding preface: "Without prejudice to the resolution already accepted or the reservation of His Majesty's Government, this Conference, &c."

[1] R., p. 426.

Dr. Jameson proposed also a resolution affirming that, since the British Government through its partnership in the South African Customs Union had already accepted the principle of giving preference against foreign countries, "it should now take into consideration the possibility of granting a like preference to all portions of the Empire on the present dutiable articles in the British tariff." [1]

As Mr. Deakin remarked, this was only "a request to consider"; nothing more mandatory than that. The motion was supported by him, and also by the Premiers of Natal, New Zealand, and Newfoundland. But General Botha declined to vote for it—although it really went no further than the Resolution of 1902, which he had already helped to pass—and Sir Wilfrid Laurier had left on account of another engagement. Mr. Asquith, however, was decisive. Oblivious that the Under-Secretary had committed the Government to regarding the Empire as a "family," [2] he declared:

> "It means that we are to consider the question whether we shall treat the foreigners and the Colonies as it were differently, and that we conceive we are not able to do." (R., p. 439.)

Such were the last words of the British Government in 1907, their final answer to the proposal that the Empire should be endowed with the vital principle of family life or organic unity.

[1] R., p. 439.

[2] *Supra*, p. 242.

CHAPTER XIV

SUBSIDIARY QUESTIONS

Of the fifteen days (between April 15th and May 14th) which made the session of 1907, five were occupied with Preference; another five were divided between the Constitution and Defence; and the remaining five were assigned to a variety of subsidiary subjects, of which the Imperial Court of Appeal and the Imperial Development Fund occupied the most time. At this session, therefore, the paramount position of Preference was amply recognised in the allocation of the available time. The discussions on the subsidiary questions may now be reviewed, leaving for a final chapter those which were of the greatest practical interest.

Foreign Relations.

The Conference as a court of political appeal.

A special and interesting aspect of the 1907 session is that for the first time the Conference itself was used as a kind of court of appeal, or protest, against the manner in which the British Government were exercising their Imperial function in regard to foreign relations. This was a decided advance on the more elementary practice of taking the opportunity which these gatherings afforded for private discussion between the representatives of the particular Dominion and the Foreign or Colonial Secretary. Australia and Newfoundland[1] had each a complaint to bring forward, though in very different circumstances. The only points in common were that in both cases the British Government had concluded an

[1] Sir Edward Grey, the Foreign Secretary, attended specially (on this occasion only) to hear Sir Robert Bond's statement. R., p. 587.

agreement with a foreign Power without duly consulting the Colonial Government whose interests were specially affected; and that the origin of the foreign complication was economic, illustrating the need of an Imperial trade policy. The major part of the discussion seems in both cases to have been withheld from publicity, but the speeches in which the respective Premiers outlined the situation are recorded.

NEW HEBRIDES CONVENTION—radical divergence of British and Australasian standpoints.

Friction had occurred between the Commonwealth and the Colonial Office in regard to a Convention with France respecting the New Hebrides. The trouble was really due, Mr. Deakin pointed out, to a fundamental difference of standpoint. In the traditional and official British view of the matter the Australians were a "grasping people," who, occupying a territory larger than they could even attempt to develop properly, were nevertheless reaching out after islands in the Pacific. In the Australian view, on the other hand, "it is not a series of grasping annexations that we have been attempting, but a series of aggravated and exasperating losses which we have had to sustain." What the British people and officials had forgotten was that in the early days Britain had claimed, and to some extent exercised control over all the islands lying in that region. When Governor Philip was sent to New South Wales his commission embraced specifically "adjacent islands," which in Australia was held to include everything as far as Tahiti (north-east of New Zealand). The New Hebrides, at any rate, had been distinctly included with New Zealand; and the British title was abandoned only in 1840. During the last thirty years a good many of these islands, including Fiji, had been brought definitely under the British flag. But when the British Government sought, as had been the case,

to offer this fact as a proof of vigilance and enterprise, they seemed to forget that their action had been the reluctant result of constant pressure from Australia, and that all it amounted to was a belated effort to prevent the whole of a rightful British dominion from being filched piecemeal by outsiders who never had a shadow of a claim to it. More than once the Australians had been assured that their apprehensions of foreign encroachment were groundless—as in the notable case of New Guinea—only to discover later on that they had been only too well founded. The difference between the Australian and British attitude meant simply that the Australians were always trying to safeguard the future of their country, in a period when the settled policy of the British Government was to let the Empire drift and to assume no further responsibilities. That time had passed; but the influence of the tradition was still apparent in the careless handling in Downing Street of British interests in the Pacific. Though the Australian agitation had been continuous and persistent for over twenty years, the Anglo-French treaty of 1904 had not embraced a settlement of the New Hebrides question, which had led to the immediate cause of the present Australian protest.

Australia not consulted in negotiations.

In 1887 the Australian delegates to the Conference had found the British Government quite prepared to let France take the New Hebrides, and only their strenuous opposition to that course had prevented the surrender.[1] But nothing was done for the next ten or fifteen years to support Australian (*i.e.* British) interests, though a number of missionaries and Australian settlers had established themselves in the islands, and a considerable trade

[1] The discussion at the 1887 Conference was treated as private.

had been developed with the free port of Sydney. At last, in 1902, a British Resident had been appointed, but without the facilities of transport which were essential to his utility. As a result of the trade with Sydney, much fuller and more up-to-date information regarding conditions in the islands was available in Australia than in Downing Street. The British Government were dependent on their High Commissioner, who was stationed in remote Fiji, and who only paid flying visits, at rare intervals, to the New Hebrides. In these circumstances it was reasonable to expect that the Commonwealth would be consulted whenever negotiations respecting the islands were on foot. In August 1905 the Commonwealth Government, despairing of getting the British Government to annex the New Hebrides, and thus enable a settlement of the disputes concerning land titles and other matters, including some which involved friction with the French interests there, had sent a despatch asking the British Government whether it would be possible to arrange a joint protectorate with France, and if so, on what terms. No reply whatever had been vouchsafed to that inquiry. But in the following March, 1906, a Convention with France had been suddenly thrown, as it were, at the head of the Commonwealth Government with an intimation that it must be accepted or rejected practically as it stood. Without undertaking to criticise the substance of the convention, Mr. Deakin desired to record an emphatic protest against the manner in which it had been reached.[1] It was the work of a

[1] Mr. Seddon's last public message, delivered a few hours before his death (June 10, 1906), dealt with the New Hebrides question:

"The Commonwealth and New Zealand Governments are incensed at the Imperial Government conference fixing conditions of dual protectorate in the New Hebrides without first consulting the Colonies so deeply

joint commission, on which France had been represented by ex-officials and others having an intimate first-hand knowledge of the New Hebrides, whereas the British representatives had no such knowledge. No attempt whatever had been made to consult the Australian Government, who had at their disposal much fuller information than was available in Downing Street.

Churchill's mistakes.

To make matters worse Mr. Churchill, speaking in the House of Commons for the Minister in charge of the Colonial Office, had flagrantly misrepresented the Australian policy. On the strength of having communicated the French agreement after it had been drafted he had denied the allegation, which was practically true, that the Commonwealth had not been consulted. He had further insinuated that the Commonwealth Government had shown themselves quite indifferent to the interests of British settlers in the New Hebrides, particularly by instituting a tariff which taxed copra, the principal export, and other products of the islands. Even now the Under-Secre-

interested. The Imperial Government calls upon us now for advice upon what is already decided, making our difficulties very great. The entire subject is of vital importance to the Commonwealth and New Zealand. We ought to have been represented at the conference. If anybody had been there for us who knew anything about the subject, the result would have been very different. Whoever represented Britain, French diplomacy was too much for them. I cannot honourably say anything further, my hands and tongue are tied by the Imperial Government, but I wish I had the power of Joshua to make the sun stand still." (Drummond's *Life of R. J. Seddon*, p. 365.)

Mr. Seddon could never forgive Britain for having relaxed her hold on so many of the Pacific islands; especially Samoa, whose king had been ready to accept annexation. As regards the Hawaiian Islands, he stated that the republican Government had been ready to accept a joint British-American protectorate. He had interviewed (apparently in 1905) Mr. John Sherman, the American Secretary for Foreign Affairs, who had assured him that there was no prospect of American annexation, the Monroe doctrine forbidding it; but President McKinley, on the other hand, told him that he was all for annexation. Mr. Seddon said that his representations in London were "pooh-poohed," the Foreign Office being convinced that the United States would never annex. (*Ibid.*, p. 325. Cf. *supra*, vol. i. p. 198.)

tary claimed the authority of the High Commissioner for the assertion that Australian tariff policy "over a long period of years had been prejudicial to the development of British settlements in the New Hebrides."[1] What were the facts? The trade of the islands was with the port of Sydney. Up to two years ago Sydney had been a free port for all the products. Neither then nor subsequently had there ever been an import duty on copra. When, in 1904, the first federal tariff had come into operation, the wish of the Commonwealth had been to give the New Hebrides a preference on such products as were dutiable; but the British Government had declared that it would contravene treaty rights. Accordingly the Commonwealth had made a grant of money by way of refunding to the settlers in the New Hebrides the duty collected on their maize, which was the principal product affected. The Australian policy had been all along to assist settlement in the New Hebrides in every possible way. Easy terms had been arranged for the occupation of land, and a steamship service had been subsidised, reducing the freight rates to Sydney by 75 per cent. But all this had been ignored in the official and prejudiced statements in Parliament of the British Government. They had thereby set public opinion in Australia unanimously against them, and had rendered it impossible for the Commonwealth Ministers to follow their traditional practice of trying to support statements made on behalf of the British Government. Mr. Deakin explained that he had recalled these events not in order to reopen any question, but simply in hopes of preventing any recurrence of such conduct.

To this damning indictment Lord Elgin had practically no reply except that the British Government

[1] R., p. 557.

had not meant it and would try to avoid any repetition of the misunderstanding. There had been a change of Government towards the end of 1905, half-way through the negotiations with France, and perhaps that circumstance, he suggested, might have occasioned some oversight in neglecting to keep the Commonwealth informed of what was going on.

NEWFOUNDLAND FISHERIES.

Sir Robert Bond was in the middle of his retaliatory campaign against the United States, which he had undertaken in the hope of forcing the American Senate to reconsider the question of ratifying the Hay-Bond reciprocity agreement. The campaign had soon brought him into conflict with the peace-at-any-price instincts of the British Government. They had signed a *modus vivendi* with the United States, which in effect conflicted with certain Newfoundland laws duly passed with the Royal assent. Sir Robert Bond held, quite rightly, that it was grossly unconstitutional and tyrannical for the British Government to presume to override, by merely executive action, valid Colonial statutes. The only constitutional method in such emergencies would be for the British Government to persuade the British Parliament to enact legislation overriding the obnoxious Colonial law. But in this instance the Liberal Cabinet, despite their overwhelming party majority, had shrunk from asking the approval of Parliament for the ignominious policy into which the American diplomatists had drawn them. The contentions of the American Government, which British Ministers seemed ready to accept, were, the Newfoundland Premier submitted,

> "sufficiently grave to warrant the most serious consideration of this Conference, inasmuch as they challenge the binding effect of Colonial laws upon foreign subjects when coming within the jurisdiction of a Colonial Government. The question affects the

Colony that I represent principally and most vitally, but it also affects every Colony represented at this Conference.

"I have had the privilege of discussing the question with Sir Edward Grey, of the Foreign Office, with your Lordship and Mr. Winston Churchill, and have stated, as clearly as I know how to do so, what I believe to be the rights of those I represent. That statement I desire to repeat here and now, *for if it is held by this Conference to be unreasonable or unduly exacting, I shall be prepared to modify it to meet what may be considered reasonable and right.*" (R., p. 587.)

Board offers to abide by verdict of Conference.

This was an appeal, as it were, of a peer to his peers; the first time that the Government of any Dominion had placed themselves in the hands of the Imperial Conference and offered to modify their policy if the Conference thought proper. The particular crisis was only an incident in a long episode which cannot be described in this volume, but which illustrates the intimate connection between economic interests and foreign relations. Though it is difficult Imperially to defend Sir Robert Bond's American policy, it is equally difficult not to sympathise with his objection to a form of coercion which no British Government would have ventured to apply to any Colony in a stronger position for resistance. At this early period of their career, with Mr. Churchill serving Lord Elgin at the Colonial Office, the administration of the Liberal Government was shortsighted, tactless, and overbearing. They seem to have regarded the Dominions as the allies of their party enemy, and to have treated them accordingly. Not only in the case of Newfoundland which thus came up at the Conference, but in dealing with Natal also they were guilty of indefensible tyrannising. In connection with the Dominions, as in home affairs, the doctrine seemed to be that the people ought to

govern themselves, but that the criterion of their fitness to do so was willingness to let themselves be governed by the omniscience of a Liberal Cabinet.

"After a short adjournment," the Report states, "the Conference, after a discussion in private, agreed that Sir Robert Bond's statement should be recorded."

Treaty Obligations.

The Australian resolution requesting the British Government to prepare a statement explanatory of Colonial obligations in regard to British treaties was passed without difficulty. Asked by Mr. Lloyd George to explain what was meant by "to ascertain how far it is possible to make those obligations and benefits uniform throughout the Empire," Mr. Deakin at once responded:

> "We quite recognise that in many cases there must be special treaties which will only affect parts of the Empire and not the whole of it. But surely it is desirable that these differences should be reduced to a minimum, and that, wherever possible, treaties should have sway if possible over the whole extent. In many cases they are relatively immaterial. Minor treaties are proposed to us, and we say no to them because we have no interest one way or the other; but if it were represented to us that the Commonwealth was the only place in the Empire which was not agreeing, no doubt, for the sake of uniformity, we should say: 'Very well, we will fall in with it.' It does not mean very much, but it clears the way by encouraging general action instead of partial action. It is not intended to go further." (R., p. 467.)

Conference overloaded.

A confidential memorandum was prepared by the Board of Trade and circulated to the Conference. There was, however, no further discussion. Mr. Deakin remarked that "we have really no time to read and consider these papers." Sir Wilfrid Laurier found it "very satisfactory that no treaty should apply to any of the Dependencies unless they adhere to it,

and then provision is made in the treaty that they can put an end to it." Sir Joseph Ward had a resolution on the subject, which, at his request, the Conference agreed to pass. (No. XII. of 1907.)

COASTWISE TRADE.

A Resolution had been passed in 1902, at Mr. Seddon's instance, and with the assent of Mr. Chamberlain, calling the attention of the British Government to the advisability of refusing the privileges of coastwise trade, including trade between Britain and the Colonies, to countries which confined the corresponding trade to ships of their own nationality. Australia now proposed that the 1902 Resolution should be reaffirmed. The question had been incidentally discussed at the subsidiary Conference on Navigation. There the suggestion had been made that for trade purposes the British islets in the Pacific should be considered part of the Australasian coastline; but it had been felt that so important a question of intercolonial jurisdiction ought to be referred to the Imperial Conference itself.

Quoting from the confidential Report of the 1902 session, Mr. Deakin pointed out that if a retaliatory policy were adopted by the British Empire it would affect only the United States, Russia, and possibly France. Russia was as bad as the United States, having declared the trade between Odessa and Port Arthur to be coastwise trade; but France monopolised only the trade between French and Algerian ports, and not her Colonial trade generally. Portugal had a compromise system, reserving the whole of her coastal trade but offering to open parts of it to countries which would agree to reciprocate. Mr. Deakin apprehended that some contingency calling for action might arise suddenly, and he suggested therefore that they ought to have a policy in readiness.

There was an old-standing Colonial grievance,

The American offence.

affecting especially Australasia and Canada. Not content with reserving their own coastwise trade, the Americans had included such places as Honolulu and even Manila in their definition of the American coast. Thus American vessels made the voyage from San Francisco to Sydney and back, picking up cargo and passengers at not only Honolulu but also New Zealand ports *en route*, whereas Australasian vessels—*e.g.* the ships of the Union Steamship Company, which had tried to participate in the San Francisco mail service—could not pick up anything at Honolulu, *en route* for San Francisco or on the return voyage. Canadian vessels trading between British Columbian and Californian ports were under the same disability of having to proceed direct to their ultimate destination, instead of picking up what they could at intermediate American places. The Germans, again, though they professed not to have adopted the restrictive policy in regard to their Colonial trade, had found some pretext or other for refusing to admit Australian vessels to trade with the Marshall Islands,[1] though they could not justify their action.

Canada, New Zealand, and Australia were unanimous in supporting the policy agreed upon in 1902. Sir Wilfrid Laurier observed that Canada had repeatedly offered to reciprocate with the United States in respect of coastwise trading privileges, which affected the trade on the Great Lakes as well as on the Atlantic and Pacific coasts. But Mr. Lloyd George had to state that the British Government could not see their way to concur. They had, he pointed out, already complied with the unanimous Resolution of 1902 to the extent of having, as thereby requested, taken into consideration the "advisability" of adopting a retaliatory policy, and they had come to the deliberate

British Government apprehensive.

[1] Between the Hawaiian and Philippine groups.

conclusion that it was not advisable. His argument was again somewhat confused. One moment he was explaining that the participation of Russian and American vessels in the British coastal or Colonial trade was so small that the proposed retaliation would be ineffective. But at another moment he was objecting that the effect of restricting the foreign tonnage employed in the carrying trade with the Colonies would be to raise the cost of carriage, to the detriment not only of British manufacturers and consumers but also of Australian producers, whose Argentine competitors would benefit by the diversion to that quarter of the foreign ships driven off the British routes. This increased competition on the neutral routes would, he argued, more than offset any advantage which British shipowners might derive from the reduced competition on the British routes. He would not consider on its merits the policy defined in the resolution; arguing that what the Colonies must really intend was to exclude all competing vessels, regardless of whether the countries to which they belonged were reciprocating or non-reciprocating (which surely was an absurd perversion of the proposal).

Australian policy and British ships.

Presently he sought a diversion in an attack on Australian policy. Under the proposed legislation which had been discussed at the Navigation Conference the British mail steamers would have to conform to the same requirements as Australian steamers in order to qualify for participation in the coastwise trade, including the carriage of passengers and freight between *e.g.* Adelaide and Melbourne or Sydney. This was a lucrative traffic, and the British companies were kicking violently at the threatened legislation. Mr. Lloyd George stated that foreign ships were to be given a preference over British ships, and he asked that before talking about Imperial Preference the

Commonwealth should at least place British ships on an equality with the foreigner. But the Australian Premier, whose versatility of general knowledge [1] was a feature of this session, was hardly likely to be less well-informed than Mr. Lloyd George as to the intention of the Commonwealth Government. Their aim would be, he said, to treat British shipping as leniently as would be compatible with maintaining the higher standard which they desired to establish in Australia, and to give British shipowners some advantage over their foreign competitors.

According to Mr. Lloyd George, if the British liners could not qualify to engage in the Australian coasting trade at that end of their voyage, except at great expense in structural alterations, they would lose "scores of thousands of pounds," and be beaten by the Germans, who were pressing them very hard. Practically, therefore, as Dr. Jameson pointed out, he had gone to the extent of pleading for preference. But the British Minister's argument was again somewhat inconsistent, another of his points being that the coasting or intercolonial trade of the Dominions was not important enough to British shipowners to justify the Government in taking any vigorous measures to secure fair play for the Colonial and British vessels engaged therein. The mere passage of the proposed resolution would, he apprehended, create confusion and unrest, inspiring foreign countries with hostility. Sir Wilfrid Laurier and others pointed out that the apprehension would have been equally well-founded in 1902, when the resolution was first passed, but that no such consequences had ever followed. It was, indeed, a difficult position for Mr. Lloyd George to defend. Though he could adduce treaty obstacles

Lloyd George inconsistent.

[1] *e.g.* when he corrected Mr. Lloyd George and Lord Elgin in regard to the financial position of the Uganda Railway. (R., p. 370.)

to a general policy of confining the inter-Imperial trade to British vessels, he had to admit that there was no such obstacle to prevent the reciprocal exclusion of the only two offending countries (the United States and Russia), which was all that was actually contemplated in the Resolution. Temperamentally, again, he was in sympathy with the Colonial attitude. To Sir Wilfrid Laurier's statement regarding the unfairness of the American system, he replied: "I agree; if I were a Canadian I would hit them if I could." He seemed to think that the British Government might assent to the passage of a law restricting the Australia-New Zealand trade to Australasian or British vessels, so as to retaliate locally against the Americans, but never to penalise American vessels plying between other parts of the Empire, including Britain. This attitude was objectionable to the Canadian Premier:

> "*Sir Wilfrid Laurier*—If this is an Imperial Conference, as we believe it is, questions have to be looked into, not only from the point of view of the United Kingdom, but all its Possessions. It does not affect you, so far as the United Kingdom is concerned, but it affects us. We are part of the British Empire, and it seems to me, therefore, the question brought up justifies further inquiries, without alarming anybody." (R., p. 463.)

British Free Trade means Imperial impotence.

In Mr. Lloyd George's view, any attempt at a general retaliation against American or any other shipping would "simply mean reprisals," in which Britain would inevitably be worsted owing to the vast preponderance of the shipping which she would have at stake. He did not, however, proceed to draw the obvious moral; which is, once more, that these problems of Imperial unity cannot be handled in watertight compartments, but are mutually inseparable. The impotence which he depicted was only an aspect

of the fiscal policy which had deprived Britain of a more powerful weapon than would be available to any other country in any kind of commercial warfare, such as this shipping controversy. Were Britain armed with an ordinary tariff policy, the Empire in concert could, as had been pointed out in the Preference debate, snap its fingers at any country or combination of countries which proposed to attack it in any such manner. The British Government had admitted the justice of the Colonial grievance. But, wedded to Free Trade, they could only recommend that it should be taken lying down.

Mr. Lloyd George suggested that the Resolution should be passed with the omission of the words "between the Mother Country and its Colonies and Possessions," so as to limit the contemplated retaliation to the area of intercolonial trade. But the Canadian, New Zealand, and Australian Premiers preferred to vote for the intact Resolution. Dr. Jameson and Mr. Moor, though not directly interested, and also Sir Robert Bond supported them. General Botha declined to vote either way. So the 1902 Resolution was reaffirmed, Britain dissenting.

EMIGRATION.

The subject of emigration was allotted a few hours on the sixth day of the session. Australia had sent in a short resolution which was eventually adopted unchanged (No. IV. of 1907), favouring emigration to British rather than foreign countries, and co-operation on the part of the British Government with any Dominion desirous of attracting immigrants. By way of preface to the discussion Lord Elgin mentioned that a committee presided over by Lord Tennyson (formerly Governor of South Australia and afterwards of the Commonwealth) had lately considered the question, and in accordance with its conclusions he would like to

learn specifically from each Dominion "whether or not they are willing to accept State-aided emigration."[1]

Principle of autonomy.

Mr. Deakin at once pointed out the difficulty of complying with this request, inasmuch as it would bring them into conflict with a certain principle:

> "In touching upon this question, my first duty is to remove an apparent misapprehension. The question of immigration to us is the question of emigration to you. The question of emigration is as distinctly a British question as that of immigration is ours. To what extent the Government and Parliament of Great Britain desire to foster emigration is for them to discuss and decide. I shall, therefore, look at immigration from our point of view, and not from the point of view of the Mother Country, because upon that the representatives of the people of that country are necessarily themselves the judges." (R., p. 153.)

British settlers preferred.

The starting-point of the Australian resolution was, he explained, the fact that emigration, assisted or unassisted, was actually going on. Therefore, they urged that the British Government, so far as it acted at all, should so act as to encourage emigrants to settle within the Empire and passively discourage them from settling outside. The essential considerations were—(1) that population in the Dominions was per head a much larger purchaser of British manufactures than population in any foreign country;[2] (2) that none of the great Dominions was as yet "anything like effectively populated"; (3) that effective population of them was necessary in order to guarantee the permanent control of these territories by the British race. But he did not wish to exclude other European races which—as was shown by the example of Canada and South

[1] The Conference Papers (Cd. 3524) contain correspondence with the Colonial Governments in regard to Mr. Rider Haggard's scheme of colonisation (Cd. 2978 and 2979) and the Inter-departmental Committee's Report thereon.

[2] *Supra*, p. 192.

Africa, and even in Australia on a small scale—were capable of amalgamating with the British stock in the evolution of a new national type. Some of the Colonies might not want immigrants, but most of them did, and were far more eager to obtain them from Britain than from elsewhere :

> "They blend with us in the working of our social and political institutions, they enter into our life in all its phases without any sense of separateness or strangeness, and hence we are most eager to obtain them." (R., p. 156.)

Emigrants Information Office.

Accordingly he had regretted to learn that the practice of the Emigrants Information Office, the only official institution in Britain for dealing with emigration, was to give information "indiscriminately" as between British and foreign countries. All the Agents-General of the Australian States had expressed unfavourable opinions of the Office :

> "They think, at present, that no effective assistance is being given to them by this Board. They go so far as to doubt whether it is possible for it to be given by a Board constituted in this manner. They object even to the publications which it has submitted, and have felt this so strongly that they have undertaken publications of their own at their own expense, which they consider far more likely to attract emigrants than those of the Emigration Board.[1] Speaking, as they do, as men of high standing who have the supervision on this side of whatever is being done by the States of the Commonwealth in respect to immigration, I regret to learn that their verdict is so unfavourable. They suggest that some Board, responsible directly to Parliament, or responsible directly to a Minister, should be charged with this duty ; that they, or some of their representatives, should be associated with it in the

[1] But the function of the British Office was to guide emigrants rather than to promote emigration.

most approved fashion, and that they should be consulted before statements are put forward which sometimes they have found themselves obliged to challenge." (R., p. 156.)

To illustrate the complaint he cited passages from an official circular issued by the Board in which they practically represented that work on the sugar plantations in Queensland was unfit for white men. In reply to a private inquiry from Australia the chairman had actually written that the Board would feel it "their duty to warn" intending emigrants "against undertaking such work in the tropics." But the actual facts, which the circular did not communicate, were that the work on the sugar plantations was being done more and more by white men; that the work in the crushing mills—which the Board represented as the worst of all—had always been done by white men; that some of them were earning by piece-work as much as 20s. or even 30s. a day; that few of the many who settled in the coastal sugar belt showed any disposition to leave, though the cooler uplands were only a few miles away; and that no deleterious results were apparent except such as arose from intemperance or from "over-indulgence in meat-eating, which is practically universal in Australia." The fixed policy of the Commonwealth was "A White Australia," in accordance with which they were repatriating the Kanaka labourers and subsidising the use of white labour. That policy had been completely justified by economic results, the white men having proved capable of performing more and better work than any of the coloured races, and the industry was steadily expanding under the new conditions. The Australian Government felt aggrieved, therefore, that their policy should be obstructed by these misleading statements. They did not ask for any misleading advertisement in the other

e.g. Queensland sugar industry.

direction, but they did ask for the whole truth to be stated and nothing but the truth.

Select New Zealand.

Sir Joseph Ward rejoiced that New Zealand had no "coloured labour" question, but he heartily endorsed the Australian policy. He would deprecate any suggestion of State-aided emigration, fearing that it would mean the dumping of undesirables in New Zealand. The Colony was already assisting immigrants if they were "of a suitable class and have some capital"; and had tried with success the plan of allowing those already settled to "nominate" their own friends in Britain for assisted passages, relieving the State of further responsibility for them on their arrival. Being in the fortunate position of having had no unemployed "in the ordinary sense" for a number of years past, New Zealand would be reluctant to co-operate in any scheme for introducing a problematical class of settler in large numbers.

Distracted South Africa.

The South African representatives pointed out that unhappily their country did not at present bear out Mr. Deakin's *dictum* that the Colonial aspect of the question was immigration, and the British aspect emigration. With them it was the other way about. The war had introduced a very large floating population, and had at the same time destroyed an enormous amount of capital in the country, with the result that they were shipping people back to England instead of bringing more in. But later on they hoped to have a policy of agricultural settlement, especially with the aid of irrigation schemes. They had been greatly struck by Mr. Deakin's remarks about the successful use of white labour under sub-tropical conditions. Dr. Jameson declared that such was not their experience—in South Africa you might pay a white man any fancy wage, contract or day labour, but he would continue to do only half the work of a black man at £3 a

month. Mr. Moor, on the other hand, had been convinced by a visit to Australia that in his own country (Natal)[1] development had been retarded rather than advanced by the habit of relying on coloured labour : Expensive coloured labour.

> " Instead of using brains and capital to save labour we were piling on unskilled labour to do the work, regardless of cost, and perhaps in many instances the result of production with that unskilled labour was really more costly than the products of countries working with labour skilled and properly organised. We find in many of our industries we are being beaten by products from Australia (which we can produce quite as well and in quite as large quantities) owing to our methods and wasteful means of carrying on those industries." (R., p. 165.)

Mr. John Burns, President of the Local Government Board, expressed the views of the British Government. He assured the Conference that, in point of fact, it had for years been the aim of the Emigrants Information Office to encourage British immigrants to proceed to British rather than foreign countries. While defending the Queensland circular he said it was an exceptional case and would not be allowed to happen again. A stronger line of defence was that the proofs of all the literature were regularly sent beforehand for revision to the Agents-General of the Colonies concerned, and the Government of Queensland were so pleased with the last handbook that they had ordered 25,000 copies of it. In fact the style of the publications had been so improved that now " we almost vie with Canada both in the versatility and the excellence of our advice to emigrants and settlers." He told them that already there were in Britain nearly 1000 agencies of one kind or Burns on emigration.

[1] The coastal sugar plantations of Natal and Queensland are in about the same latitude, the latter being somewhat nearer the Equator than the former, and the climate generally does not seem dissimilar.

another, directly or indirectly engaged in promoting emigration, and of the people who passed through the hands of these agencies no less than 95 or 97 per cent. went to the Colonies. He quoted statistics showing how considerably the stream of British emigration had already been diverted from the United States to Canada.

As to assisting emigration financially, one difficulty would be that the British Government could not help any one Colony "without more or less damnifying the others." They wanted above all "to be fair to all the Colonies" (the old excuse for doing nothing in regard likewise to Preference and Communications). But the "settled policy of Parliament" had been "not to vote State money for emigration." At the same time Boards of Guardians and Distress Committees (under the Unemployed Workmen Act of 1905 and subsequent legislation) were spending considerable sums on that object. In 1906 the Distress Committees had sent out 3875 persons at a cost of £7 per head, and were going to continue operations on a larger scale.

Commends child emigration.

In the last ten years Boards of Guardians had sent out 3588 children, and Dr. Barnardo's agency 18,000. On his last visit to Canada he had been pleased to learn that 95 per cent. of these children were doing very well indeed. In 1906 no less than 19,000 persons in Canada had applied for British boy and girl emigrants:

> "On that some of the gentlemen of this Conference might say: 'But what about their condition?' On that I think that this Conference ought to be assured of this fact, that the people who have charge of them here, whether they be guardians or private or public agencies, do everything within their power not only to see that the children are physically fit, but that they are trained and equipped for their new life, and I know no form of

> diversion of population that would be productive of so much good to the Colonies and to the Mother Country as an increase in the number of children going to the new settlements beyond the seas." (R., p. 172.)

Deprecates community settlements.

On the other hand, he deprecated the principle of settlement by communities, holding that the better plan was to spread the immigrants about the country. The Doukhobors in Canada were the only case he knew of a really successful community settlement. Mr. Deakin agreed, but said that if it were a question of settlement by communities or not getting sufficient immigration, Australia would not hesitate to take the risks of the inferior method.

In conclusion, Mr. Burns announced that the reorganisation of the Emigration Board was already under the consideration of the Government, and he asked the Conference to remember the "cardinal fact" that the Old Country could not show a preference to one Colony as against another.

Contented Canada.

Sir Wilfrid Laurier said that Canada had no grievance, and was quite content with her existing system of managing and financing her own immigration policy. "But," he hastened to add, "of course it goes without saying that if the Imperial Government were prepared to help and assist us financially we would be only too glad to co-operate with them." He invited Mr. Deakin to justify the last paragraph of his resolution by explaining precisely what he wanted the British Government to do in the way of "co-operation."

Three ways of co-operation.

Mr. Deakin responded at once: (1) The Emigrants Information Office (otherwise known as the "Board") should be reorganised:

> "While departments are necessary agencies of governments, they are in my opinion in inevitable opposition, so to speak, to the re-adaptations and

fresh adaptations called for by the circumstances of each case. . . . We think a more effective organisation is wanted here under the direct control of the British Government or some of its Ministers, with that closer touch with the various representatives of all the Dominions which Mr. Burns has been good enough to foreshadow for us." (R., pp. 173–4.)

(2) The shipping question came in:

"Subsidies are now given to shipping which competes with British shipping both for passengers, cargo, and even emigrants. We have a line running to Australia to-day under the British flag, which is really in the main portion of its capital and interest, I understand, a foreign line of steamers. We think encouragement should be given to vessels not only flying the British flag, but actually British, so as to enable freights to be cheapened, and passenger rates to be lowered." (R., p. 174.)

(3) The elementary schools could help:

"We wish the British Government would also favour subsidiary educational means, such as have recently been proposed, seeing that the schools, and through the schools the children of the country, were brought into closer touch with the realities of life in the outer portions of the Empire . . . in all the schools of the United Kingdom there should be sufficient teaching with regard to the Dependencies of the Empire, so that as the children grow up, if they wish to make the choice of a new home, they will have the knowledge necessary to make that choice." (R., p. 175.)

Sir Wilfrid Laurier thought the resolution as worded was "too vague" in regard to methods of co-operation, but he welcomed Mr. Deakin's point about shipping. The Resolution was passed unanimously, being accepted by the British Government.

The Cape resolution regarding Cables was adopted without discussion, Mr. Buxton having signified the concurrence of the British Government by letter to Dr. Jameson before the session began. In a memorandum by the Post Office it was pointed out that the system of "standard revenue"[1] which the Resolution approved was inconsistent with any policy of encouraging competition in cables (as in the case of the Pacific cable). CABLES.

Wireless Telegraphy was not quite so easily disposed of. Some uneasiness seemed to be felt by Australia and Canada regarding the International Conference of October 1906, at which the Dominions had not been represented, and which they seemed to fear might have been making arrangements prejudicial to their interests. Mr. Buxton reassured them. A five-years' convention had indeed been drafted, but the British Government had not yet formally ratified it. In any case, it would be open to any signatory to withdraw from the agreement on giving twelve months' notice. No standing body with any authority had been created; only a merely clerical bureau (a harmless "secretariat," in fact). When the Wireless Conference reassembled, in 1911, the first matter to be decided would be the apportionment of votes among the countries represented. There were two precedents: (1) the International Telegraph Convention, where each State with a separate telegraph administration had a vote; and (2) the Postal Union, where votes were allotted according to the relative importance of the several countries with their respective Colonies, up to a maximum of six votes. Under this arrangement India, Canada, Australia, New Zealand, and South Africa each had a vote at meetings of the Postal Union; but representatives of WIRELESS —the International Convention.

[1] This was the system already adopted in South Africa. *Cf.* vol. i. p. 256.

other Colonies also could take part in the discussion without voting. Mr. Buxton, supported by Sir Joseph Ward who had had considerable experience, thought that the Postal Union plan was the most advantageous for the British Empire, as under the other a lot of puny little States got votes. Moreover, "moral strength" really counted for more than numerical strength. At the recent conference, for instance, the British representatives had succeeded in blocking an obnoxious proposal though they only had one vote.

The practical question at issue was whether it would be best for the Empire to accept the principle of universal interchange of wireless facilities, or to take advantage of the British preponderance in shipping and Colonies to restrict communication between British stations or vessels and foreigners. The British Government, after full consultation with the Admiralty, had come to the conclusion that both navally and commercially the fullest interchange would be the best plan, subject to certain exceptions and safeguards which the Admiralty deemed sufficient. The Australian Government were specially interested, since they were contemplating the erection of a chain of wireless stations around their coast, partly for strategical purposes, and they had been advised by some of those interested that the policy of exclusiveness would be the best. The upshot of the discussion was that before another Wireless conference took place the Dominions would be able severally to decide whether or not they wished to come in, with the right of subsequent withdrawal on twelve months' notice.

COURT OF APPEAL.

The advance resolution from Australia affirmed simply that it was "desirable to establish an Imperial

Court of Appeal"; while that from Cape Colony embodied a series of suggestions for improving the procedure of the Judicial Committee of the Privy Council.

Judicial Committee of Privy Council.

Constitutionally the position of the Judicial Committee is analogous to that of the Cabinet, these two bodies being each a separate committee of the Sovereign's Privy Councillors. Accordingly the Judicial Committee and the Cabinet have in common the feature that their decisions must always be unanimous; since the function of the Sovereign's Privy Council is to tender him definite advice, not to furnish him with *pros* and *cons* and leave him to decide.[1] The advice must be definite, for him to accept or reject. Hence the judgments of the Judicial Committee of the Privy Council are given forth as unanimous decisions; whereas in the House of Lords, when it acts as a court of appeal, the majority principle is recognised.

The following is a concise account of the institution:

> "As regards all British possessions the appeal to the King in Council is in its origin and nature like that of the provincials unto Cæsar, and flows from the royal prerogative to admit appeals. With the growth of the British Empire it has been found necessary to create a comparatively constant and stable tribunal to advise the King in the exercise of this prerogative. For this purpose the Judicial Committee of the Privy Council was created in 1833. In 1851, and again in 1870, it was reorganised, and by Acts of 1876, 1887, and 1898 it received its present form. The Committee consists of the Presi-

[1] But a different theory seems to underlie the practice, already noticed in certain Colonies, where the Governor asks each member of the Cabinet individually, beginning with the youngest, whether he thinks that the death sentence should be confirmed or remitted. (Vol. i. pp. 121–2.)

dent of the Council, and of the following persons if Privy Councillors: the Lord Chancellor and ex-Chancellors of Great Britain and Ireland, the Lords Justices of Appeal in England or retired Lords Justices of Appeal in England, the four Lords of Appeal in Ordinary, and persons[1] who hold or have held the office (*a*) of Judge of the High Court of Justice or the Court of Appeal in England or Ireland, or the Court of Session in Scotland; (*b*) any person who is or has been Chief Justice or a Judge of the Supreme Court of Canada, or of a superior court of any Province of Canada, or any of the Australian States (not Fiji or Papua), or of New Zealand, or of the Cape of Good Hope or Natal. The number of persons of this class who may be members at once is limited to five (1895, c. 44); (*c*) provision is also made for the payment of two Privy Councillors who have been Judges in India who attend the Privy Council.

"Numerous as are the members of the Committee, the quorum is three. One or more of the Lords of Appeal in Ordinary usually attend at every hearing, but the composition of the Committee is very fluctuating. Appeals from the British Dominions abroad lie in criminal as well as civil matters. . . . The judgment of the Committee is in the form of a report and advice to the King, which is read by one of the members sitting, and no indication is given as to whether the members present are unanimous. Effect is given to the advice by Orders in Council dismissing or allowing the appeal, and giving directions as to the payment of costs and as to the further proceedings to be taken in the Colonial Courts." (*Encyclopædia Britannica*, under "Appeal.")

Existing position—two courts of final appeal.

The existing position was explained by the Lord Chancellor (Lord Loreburn) in the course of the discussion. There are two distinct courts of final appeal, the House of Lords and the Judicial Com-

[1] Certain selected ones, not all.

mittee of the Privy Council. The House of Lords hears appeals arising within the United Kingdom; the Privy Council hears appeals arising in the self-governing Dominions, Crown Colonies, and India, though in a few matters, such as Patents,[1] its jurisdiction embraces the United Kingdom also. All the persons entitled to sit judicially in the House of Lords are entitled to sit also in the Privy Council, and do sit there. In view, however, of the Imperial scope of the Privy Council's jurisdiction, and under pressure of Colonial representations, the personnel of the Privy Council had been extended, as already described. In 1907 the Judicial Committee included Sir Henri Taschereau (Canada), Sir Henry (now Baron) de Villiers (Cape Colony), and Sir Samuel Way (South Australia). The Lord President of the Privy Council delegates to the Lord Chancellor the duty of getting a court together as occasion demands.

Mode of exercising Royal Prerogative.

The mode of exercising the appeal has become difficult for laymen to comprehend, the practice appearing at first sight to conflict with the principle of Royal Prerogative. Theoretically it seems questionable whether the Sovereign can ever divest himself of his prerogative; though he can entrust to others an authority to grant in his name leave to appeal, and to prescribe the conditions. In the exercise of this discretion the Sovereign, advised by the Cabinet committee of his Privy Council, has allowed various Colonial legislatures to prescribe the conditions under which litigants may appeal to the Privy Council from the local supreme courts. Where such authority has been exercised by the local legislatures there is a definite right to have the appeal heard by the Privy Council, in all

[1] R., p. 221.

cases which fulfil the locally-prescribed conditions. In these instances, therefore, the appeal is said to be "as of right." The authority has been exercised by the legislatures of the former Colonies which have since become Provinces of the Dominion of Canada, or States of the Commonwealth of Australia, and still remains to those legislatures, since they did not surrender it at federation to the federal Parliament. The same authority has been exercised by the federal Parliament in Canada, which has passed a Supreme Court Act prescribing the conditions under which appeals may be made to the Privy Council from judgments of the federal Supreme Court. It has not yet been exercised by the Commonwealth Parliament in Australia. But the Commonwealth Act itself, by clause 73, confers directly on the federal High Court, without requiring any authorisation by the federal Parliament, the power to grant litigants leave to appeal to the Privy Council against its own judgments in cases affecting the Constitution of the Commonwealth, and withdraws from the Privy Council the right to grant special leave in relation to such cases.

(1) The appeal "as of right."

In default of local arrangements giving the subject an absolute right to have his appeal heard, would-be appellants must resort to the more primitive and costly method of directly petitioning the Privy Council itself for leave to appeal. They may also take that course in cases where, though the local legislature has prescribed conditions and so created an absolute right for appellants to be heard, those conditions do not cover the particular case of the aggrieved litigant. This mode is known as that of appeal "by special leave," or by grace as distinguished from right. It should be borne in mind that the prescribing of conditions by a local legislature does not in any way

(2) The appeal "by special leave."

affect the prerogative right of the Sovereign to receive and consider direct petitions for leave to appeal to him. The prescribing of conditions locally is regarded as facilitating, not restricting, the use of the appeal. The citizen's right of appeal is restricted only when the Sovereign concedes to a local legislature the power of forbidding or curtailing the primitive mode of direct petition.

A step in that direction was taken by the Commonwealth Act, which, by clause 74, confers on the federal Parliament the right of "limiting the matters in which such leave may be asked," provided that any Bills to that effect shall be reserved by the Governor-General for the Royal Assent. The power so conferred on the Parliament has not yet been exercised.

The South Africans have gone further than the Australians. Their Supreme Court of Appeal is really supreme in South Africa, in the sense that there are no co-ordinate provincial courts of appeal, all the old ones having been superseded with the rest of the previous machinery by the national unification. By clause 106 of the South Africa Act, 1909, it is enacted that there shall be no appeal (*i.e.* "as of right") from the Supreme Court, so that the South African Parliament is not endowed with the power which the Australian Parliament presumably retains of making arrangements for an appeal "as of right" to the Privy Council. At the same time the other mode of appeal (*i.e.* by grace, or by special leave) was expressly safeguarded in the South Africa Act; though it is also enacted, in the same language as that of the Commonwealth Act, that the Parliament may legislate so as to limit the matters in respect of which special leave to appeal may be asked, subject to the Royal Assent being given to the Bill. The South Africa Act.

So it has come about that the ordinary mode of

appeal is one which at first sight appears to signify that the leave-granting authority is no longer the Sovereign but the local legislatures; while the primitive mode of direct petition, which satisfies the popular conception of Royal Prerogative, is comparatively infrequent.

The Australian difficulty.

Introducing his proposal, Mr. Deakin dealt with the history of the question. The authors of the Australian federal constitution had intended that the federal High Court should be a final Court of Appeal, and the final interpreter of the Commonwealth Act in cases affecting the relations between the Commonwealth and its component States or between one State and another. They had accordingly wished to give the Court no power of allowing appeals to the Privy Council. But Mr. Chamberlain had objected to this restriction; and the Australian delegates, in order to save the rest of their Bill, had agreed to a compromise under which the right of appeal from the State Courts in Australia would remain intact, while in constitutional cases the federal High Court would have the power of deciding for itself each time whether an appeal from its own judgment to the Privy Council should be allowed. The effect of this compromise had been—as was foreseen at the time by Mr. Haldane, Mr. Bryce, Lord Davey, Lord Russell, and other eminent authorities—to set up a double jurisdiction, two co-ordinate courts of final appeal in regard to the interpretation of the Australian constitution, with a real risk of conflict between their respective decisions. One case affecting the Constitution of the Commonwealth might go direct from a State Court to the Privy Council, sidetracking the federal High Court; while another raising the same point might be taken to the federal High Court, which might decide it differently and

refuse to allow an appeal to the Privy Council. A conspicuous case concerning the liability of federal officers to pay State income-tax had lately brought the difficulty into prominence.

Mr. Deakin explained that one of the reasons for the original policy of making the federal High Court the final arbiter of the Constitution was that the Judicial Committee was not regarded as a strong enough tribunal; or rather that the method of constituting it seemed to make it less efficient than the high standing of its personnel would suggest. For example, the income-tax case, involving a principle of vital importance to Australia, had been decided by a Court of only four members, two British and two Colonial, and the judgment had not carried conviction in Australia; while soon afterwards a Court of eight had been assembled to hear a comparatively trivial case concerning land legislation in New South Wales. As a Court of Appeal the House of Lords, he declared, stood higher than the Judicial Committee in the estimation of Australian lawyers. They could not help thinking that the House of Lords had in practice, if not by statutory requirement, the first claim on the joint personnel of the two bodies. It seemed hardly likely that this joint personnel could "be divided into two Courts without one being less effective, or, what is almost the same, obtaining less confidence than the other." A more popular reason for the Australian preference for the House of Lords was that there the several Judges gave their individual reasons for the decision, or for their dissent if any of them dissented; whereas the Judicial Committee's practice was to publish only a single judgment, not revealing whether or why any member had dissented.

Mr. Chamberlain's Imperial Court.

Mr. Chamberlain had proposed in 1900, by way of inducing the Australian delegates to accept an

amendment of their Bill, that the House of Lords and the Judicial Committee should be merged in a single Court of Final Appeal for the whole Empire, abolishing the differentiation between the United Kingdom and the rest. The proposal had been considered in the following year by what would nowadays be termed a "subsidiary" Conference, including representatives of the self-governing Dominions, India, and the Crown Colonies. In the result[1] a majority consisting of five had recommended that appeals should continue to lie to the Privy Council from the Colonies and India; but that appointments from the self-governing Colonies should be made to the Judicial Committee, and that arrangements should be devised for securing a larger attendance of Lords of Appeal at its sittings. Mr. Deakin said he was "quite in the dark" as to how far those recommendations had been carried out. Three other members of the subsidiary Conference in 1901, including the representatives of New Zealand and the Commonwealth, had signed the report subject to the understanding that they favoured the establishment of a single Imperial Court of Final Appeal.

Australian opinion had not, he declared, changed in the meantime. But if the proposal to merge the two Courts could not yet be accepted, Australia would desire permission to transfer all her own appeals from the Judicial Committee to the House of Lords. His general argument seemed to be that, given a tribunal in which the Australians could feel complete confidence, the federal High Court would be less inclined to assert its rights of finality, and the Commonwealth Parliament would be less likely to utilise the power it possessed (but so far had not exercised) of restricting generally the right of appeal to the Privy Council.

Apart from Australia no urgent desire was evinced

[1] Cd. 846, of 1901.

for the proposed Imperial Court of Appeal, though Dr. Jameson and Sir Joseph Ward commended the general idea of it. As matters stood, Dominions having peculiar legal systems—*e.g.* South Africa with her Roman-Dutch law, New Zealand with her complexities of Maori custom, Canada with her inheritance of law from France—naturally preferred the Judicial Committee to the House of Lords, because the former body included Colonial Judges while the latter did not.

Legal diversity of Empire.

The three South African Premiers, having previously consulted together, were more interested in a local scheme of their own. Without waiting for a political union of their Colonies, they wished to establish at once a single Supreme Court of Appeal for South Africa as a whole, so as to stay the confusion which was arising through the conflicting decisions of the Supreme Courts in the several and contiguous Colonies. But lest the new Supreme Court, when established, should be ignored by litigants—who might prefer to carry their appeals direct from the local Courts to the Privy Council—the South African Premiers proposed that all litigants should be compelled to take their appeals to the federal Supreme Court in the first instance, and that the decision of that Court should be final except perhaps in constitutional cases. There would still remain the individual citizen's right of petitioning the King for leave to appeal to His Majesty's Privy Council—a right of citizenship and a royal prerogative which Dr. Jameson urged should always be safeguarded jealously—but the expense of that procedure might be relied upon to keep down the number of such appeals. If the Supreme Court itself were not empowered to grant leave to appeal, which was the ordinary and cheaper method of access to the

The South African scheme.

Privy Council, the main object would be accomplished. General Botha supported his Cape colleague, taking his stand upon the interests of the poorer classes of litigants, who could not afford to carry an appeal beyond the shores of South Africa.

Canada desires no change.

Sir Wilfrid Laurier was quite content with the *status quo*. The decisions of the Judicial Committee had "as a general rule given great satisfaction" in Canada. He recognised, however, the force of some of Mr. Deakin's criticism, especially in regard to the unsatisfactory manner of constituting the tribunal, which he thought should be revised. Though satisfied himself, he felt obliged to state that Canadian opinion was by no means unanimous as to the retention of the appeal. Some urged that the national parliament of a country was the only proper body to create the tribunal for interpreting its laws. Others argued that so long as Canada remained part of the Empire questions of Imperial interest must necessarily arise even in the lowest courts, and that the appeal should therefore be retained. One special complication—though paralleled in Australia—was that in Canada the federating Provinces had not parted with their judicial independence. Despite the existence of a federal Supreme Court, appeals might still go direct from the Provinces to the Privy Council. The Imperial Conference, at which the Provinces were not represented, could scarcely presume to settle the matter over their heads. He himself was inclined to think that the mode of appeal by favour of the Prerogative had "perhaps passed the day of its utility"; and that the several Parliaments, national or provincial as the case might be, should be allowed to regulate the use of the appeal as each might think fit.

Unlike Sir Wilfrid Laurier and Mr. Deakin, who

were lawyers by training, Sir Joseph Ward spoke, as he said, "entirely as a layman." According to his information a great defect in the process of the Judicial Committee was that the Judges were liable to overlook points of peculiar local law unless counsel happened to have called attention to them. He suggested, therefore, that in all cases from New Zealand one of her own Judges—there would generally be one available on leave—should sit with the Court, without necessarily taking part in the argument or decision, simply in order to keep the Judges posted on points of local law. He agreed, as did Sir Robert Bond in behalf of Newfoundland, that there was need of simplification and uniformity of procedure, so as to reduce delay and expense. New Zealand dissatisfied.

Replying on the discussion Lord Loreburn at once laid down the principle on which the British Government would take their stand. Having regard to the great diversity of conditions and interests in the various parts of the Empire, The Liberal policy—self-government.

> "all that can be done is to recognise and act unreservedly upon the principle of autonomy, that each integral unit of His Majesty's dominions should govern itself in the matter of appeals; that one should not necessarily be the same as any other, but each should govern itself." (R., p. 214.)

He admitted the difficulty of manning the two courts, the House of Lords and the Judicial Committee, at one and the same time, without overworking the Judges, which would be very undesirable. But the practice was to "divide quite impartially" between them. The British appeals in the House of Lords were not, he protested, favoured at the expense of the Colonial appeals in the Privy Council. In the income-tax case cited by Mr. Deakin, though there were

only four Judges they were a very first-rate selection. To assemble eight Judges was a very exceptional procedure, and had been adopted in the other case mentioned by Mr. Deakin on account only of the exceptional difficulty it happened to present. As opposed to the Continental theory, the British plan "all through our history" had been to limit rather than expand the number of Judges, while picking only the best. The great decisions which had "made history" in England had been given by quite a small number of Judges, but these had been of the best.

Imperial Court of Appeal analysed.

He proceeded to analyse the idea of a single Imperial Court of Appeal. There seemed to be three phases of it. (1) The simple idea of associating Colonial Judges with the hearing of Colonial cases was admittedly sound and was being carried out. (2) Next, there was the idea that the judicial sittings of the Privy Council should be attended not merely on those special occasions but "normally and ordinarily for all purposes" by representatives drawn from all parts of the Empire. The difficulty, though "not an insurmountable" one, would be that it would make the Court very large. In theory at any rate, he could see no objection to Judges from Canada, India, and so on being associated with British Judges in the hearing of Australian appeals if Australia so desired. (3) Finally, there was the larger idea of fusing the House of Lords with the Judicial Committee:

Interference with United Kingdom.

> "It is a mere question of jurisdiction, because the persons are the same substantially, with the addition of larger numbers in the Privy Council. That is a proposal the effect of which would be to alter the tribunal to which English, Scotch, and Irish appeals have always gone—English appeals from time immemorial, and Scotch appeals since the Union in 1707,

> and Irish appeals since 1800. In the same way as the question of constituting a different tribunal for Australia could not be done without deliberation in Australia, so this could not be done here without being fully considered in the United Kingdom which it affects." (R., p. 217.)

Privy Council rules to be codified.

But, while recognising that the Australians were "not altogether at ease" under the existing arrangements, he was sure that really "the Privy Council is in regard to Australian cases an Australian Court," and that his duty would be to try to satisfy them on that point.

Turning to the complaints about delay and expense, with unnecessary complication and variety of procedure, he pointed out that much of the trouble complained of arose in the Colonies themselves, where the preliminary stages of the business were to a large extent controlled by local regulation. Still, he was willing to accept the Cape suggestion that there should be a definite code of rules and regulations; and so the Privy Council would undertake the heavy task of consolidation and amendment with a view to facilitating and expediting appeals. At the same time the recent conduct of its business had, he claimed, been almost a model of legal expedition, cases having been disposed of without delay and in rapid succession. In regard to the third part of the Cape resolution, advocating uniformity in rights of appeal, the Privy Council could not, he again declared, move in that direction without impinging on the liberty of each Colony to settle the question in its own way. For example, the minimum sum of money stipulated as qualifying a case for appeal to the Privy Council varied from £300 to £2000 in different parts of the Empire. To the Privy Council the proposed uniformity would appear to be a very

desirable "luxury," but only the Premiers themselves could bestow it.

Prerogative and autonomy.

Some discussion ensued as to what would be the constitutional manner of limiting the right of appeal should any Dominion wish to do so. Would the Dominion have to obtain an Imperial Order in Council, or legislation at Westminster? The Lord Chancellor's "first impression"—to which he would not tie himself—was that the Parliament of a self-governing Colony, provided it could obtain the Royal assent to its legislation, could regulate the right of appeal as well as any other matter.

A compromise Resolution.

Dr. Jameson, still anxious to support Mr. Deakin, suggested that the Australian resolution might be accepted with a qualifying phrase to indicate that the Imperial Court of Appeal was an "aspiration." But the Lord Chancellor objected that the people of the United Kingdom would be "rather surprised and startled." The idea of having a single Court of Appeal for the whole Empire was to them, he argued, "a new subject altogether" (which surely in fact it was not, since Mr. Chamberlain had caused it to be well ventilated). Sir Wilfrid Laurier supported the Lord Chancellor, remarking that if the Privy Council were "reconstructed" it would practically be the Court desired, the mere name being of no importance. As to the South African scheme, that was in his view hardly a matter for the Conference so much as for the South African Colonies themselves; but there was nothing in it to which exception could be taken. By way of compromise the Conference accepted the chairman's suggestion that the Australian resolution should be recorded, and the Cape resolution passed in a form indicating how the subject had been dealt with.

Machinery not the primary need.

Practical Imperialists may again feel some sympathy with Sir Wilfrid Laurier's disposition to mini-

mise the importance of trying to improve the judicial or political machinery of Imperial union. There is something anomalous, and a deterring sense of futility —only to be overcome by strong faith—in devoting time and energy to such embellishments of the Imperial structure before the economic foundations have been well and truly laid. The only excuse for it is that the processes of State-making are seldom conducted in any logical order, particularly under democratic government. As the Australian delegates could not help reminding Mr. Chamberlain in 1900, "No patriotism was ever inspired or sustained by the thought of the Privy Council." Such institutions can never be expected to mould the instinct of the ordinary British subject throughout the Empire, preoccupied as he is with his material and daily interests. Unless based on Imperial Reciprocity the stately structure is real only to lawyers, and is doomed to inevitable collapse—it may be by sudden catastrophe, or it may be by a hardly perceptible progress of disintegration and subsidence.

NATURALISATION.

Voluminous documents on the subject of Naturalisation, including correspondence conducted during the recess, appear among the Conference papers. New Zealand and Cape Colony had sent in resolutions aiming at some measure of uniformity throughout the Empire; the ideal being, of course, that a British citizen in any one part of the Empire should be equally a British citizen in any other part. Though the ideal was and is very far from being attained, some advance might be made towards it. Mr. Herbert (afterwards Viscount) Gladstone, Home Secretary, explained the position which had been reached. A draft Bill had been prepared for the Conference to consider before it went to the British

Draft Bill to correct two flagrant anomalies.

Parliament, with the object of removing at any rate two flagrant anomalies:

> "First of all, as the law now stands, a certificate of naturalisation can only be granted in the United Kingdom—excepting in the case of a person in the service of the Crown—to a person who has resided, and intends to reside, in the United Kingdom. If he intends to go to the Colonies, however closely associated he may be with British interests and British life generally, he cannot be naturalised. Therefore it comes to this, that a wish on the part of this person to go to the Colonies in itself becomes a disqualification. Conversely, if a man in the Colonies is identified with Colonial interests, even if he is naturalised in that Colony, he cannot qualify if he comes to the Mother Country until he has resided here for five years. So that his Colonial connection is again a disqualification for a period of five years during which he cannot become a British subject. Our view is that these anomalies are totally opposed to the principle of unity and solidarity within the Empire with regard to this matter." (R., p. 179.)

Accordingly in the draft Bill it was proposed to substitute five years' residence in "any part of His Majesty's Dominions" for residence in the United Kingdom as the necessary qualification. A second "leading anomaly" was "the fact that a certificate of naturalisation granted in a Colony takes effect only in that Colony"; and this, generally speaking, was the case in the Crown Colonies also. The proposal for remedying it was by a provision in the draft Bill to the effect that where the conditions of naturalisation in a Colony were substantially the same as those required in the United Kingdom, an Order in Council would suffice to render certificates given in that Colony valid throughout the Empire. Thus everything would depend on the standard set by the law

of the United Kingdom. In regard to that, some misapprehensions existed. Some of the Dominions feared that two classes of persons, (*a*) "undesirables," and (*b*) "persons of non-European descent," might be able sometimes to get themselves naturalised in Britain and afterwards claim recognition in Dominions which did not want them. These objections had been raised by the Cape Attorney-General before the passage of the Aliens Act of 1905 in Britain, which Mr. Gladstone argued had materially weakened their force. He protested against the imputation that the present administration of the Aliens Act was unduly lax.[1] On the contrary, "under that Act we have got rid of a large number of extremely dangerous and unsatisfactory persons." Nor was the granting of naturalisation papers a mere formality. Every applicant had, Mr. Gladstone explained, to give four references as to character and one as to residence; minute inquiries were made as to his antecedents and intentions; he must be able to read and write English; and he must pay a fee of £5. As far as was officially known, no criminal had been naturalised in Britain. Still, the Government would not mind putting into the Bill a clause disqualifying "certain classes of criminal undesirables." As to the other objection, he pointed out that Natal, where non-Europeans were by law excluded from naturalisation, nevertheless had felt able to accept the United Kingdom's certificates as valid. He welcomed the

The British Aliens Act.

[1] The following is, however, the text of an instruction issued by Mr. Gladstone to Immigration officers: "In all cases in which immigrants, coming from the parts of the Continent which are at present in a disturbed condition, *allege* that they are flying from religious or political persecution, the benefit of the doubt, where any doubt exists, as to the truth of the allegation will be allowed, and *leave to land will be given*." (Cd. 2879 of 1906, without the italics.) More recently, the scandalous murders of policemen in Houndsditch have given rise to a widespread belief that the administration of the Aliens Law has been unduly lax, and to an agitation for more stringent restrictions.

promise to establish a Secretariat, as a means to further ascertaining the views of the Dominions on this subject (not realising that the Secretariat was only a new name for an old part of the Colonial Office), and he offered a resolution proposing that a Subsidiary Conference should be held on the question.

Canada's step in advance.

The discussion was adjourned in order that members might attempt to digest the papers which had been thrust upon them, together with Mr. Gladstone's proposals. On resuming, Mr. Brodeur explained that in Canada they had lately gone some way in the direction indicated by the British Minister. They had passed a law under which persons already naturalised in the United Kingdom or any British Colony might, on coming to reside in Canada, receive their certificate without waiting the three years which was otherwise required. But referring to the draft Imperial law, he thought that each Colonial Government should retain the right of deciding for itself whether certificates granted in other parts of the Empire should be recognised.

Mr. Deakin remarked that in Australia there were no serious difficulties in this matter, except in regard to the admission of coloured races, especially coloured aliens. He presumed, however, that the scope of their immigration law would not be impaired by the proposed Imperial law.

S. Africa's apprehensions

General Botha handed in a long memorandum, which was read to the Conference, explaining the special difficulties in South Africa, which were of the kind previously indicated by the Cape Government. The South African suggestion was that the proposed British law should not apply to any Colony unless and until its own Government adopted it, or any selected portion of it, by Order in Council ; that Colonial certificates should be valid beyond the borders of the

Colony only when held by persons of European descent (so as to avoid the risk of an influx of naturalised coloured persons from Crown Colonies); and that a person born in His Majesty's Dominions should not be considered a natural-born British subject if the father were an indentured labourer of non-European descent.

Sir Joseph Ward, insisting that New Zealand intended to remain a white man's country, feared that the proposed Imperial law might open the door to an influx of coloured subjects naturalised in Britain. Apparently he did not share Mr. Deakin's assumption, nor was he reassured by Mr. Gladstone's suggestion, that the immigration law of the Colony would be a sufficient safeguard. He seemed to think that the Imperial Naturalisation Law might conflict with and override the Colony's immigration law. Not shared by New Zealand.

Mr. Gladstone spoke rather impatiently of the criticism, much of which he thought had really been met by the terms of the revised draft Bill. The argument that no law should be imposed on a Colony except through the action of its own Parliament seemed to him to cut away the ground from under the proposed Imperial legislation, and to render the discussion a waste of time. (It is not clear, however, that the compromise of leaving the Dominions to adopt a British Act expressly devised to meet their several needs would not be a practicable path for substantial advance.) In the end Mr. Gladstone's Resolution was unanimously accepted. Gladstone impatient.

Double Income-Tax was discussed at the Treasury, where the Australasian and South African representatives met the Chancellor of the Exchequer (Mr. Asquith) and the permanent officials. Dr. Jameson had already held interviews with Mr. Asquith and had been met with a blank *non possumus*. In re- Double Income-Tax.

opening the question on behalf of the group of Governments now represented he was backed by General Botha, who concurred in his statement. Dr. Jameson took the case of the De Beers Company, with their huge diamond mines at Kimberley, as one of great importance in itself and as typical of the general position. Though carrying on its operations in South Africa, the Company had its headquarters in London. In the eye of the law it was "resident" or "domiciled" there, as Mr. Asquith expressed it. This circumstance rendered it liable to pay the British income-tax, which was deducted in bulk from the profits before the dividends were distributed to the shareholders. Shareholders in South Africa would thus receive a dividend *minus* British income-tax; and if (as in Cape Colony) there were a local income-tax in force, this would be levied on the residue, so that the same income would be taxed twice over, paying at both ends. The Colonial proposal was that income should only be taxed once, and that the proceeds should go to the Government of the country in which the income was earned. In all the Colonies where an income-tax was in force it was levied on income "earned" within the country. But in Britain it was levied on income "received" within the country, regardless of whether it had been earned there or elsewhere. Dr. Jameson submitted that the Colonial principle was much more equitable than the British.

The Company, Dr. Jameson hinted, was not wholly powerless to protect its shareholders and itself. One suggestion was that it should transfer its head office to Kimberley, and thus save £200,000 a year.[1] In that event the British Treasury would be put to the bother of having to collect the income-tax from the British shareholders individually, and altogether would lose a good deal of money. He himself would

[1] R., p. 188.

welcome the transfer, because then the Cape Government would feel no hesitation in exacting a larger contribution from the Company towards the expenses of the country it was exploiting. The position of many of the gold-mining companies in the Transvaal and Rhodesia was analogous to that of De Beers.

Mr. Asquith argued that it was open to any company to alter its arrangements, but so long as it found it profitable to keep its headquarters in London it must expect to pay taxes levied under the laws which in other respects it found so advantageous. The British Treasury could not afford to lose the money. They were quite impartial, drawing no invidious distinction against the Colonies. South American railways, many of which had their headquarters in London, were subjected to precisely the same treatment. The British system of income-tax could not recognise individual shareholders. It dealt exclusively with the "artificial person," the corporation, in the case of all joint-stock companies.

Dr. Jameson could not help remarking that here again "that awful word Preference" seemed to be looming up. And when Mr. Asquith argued that to recognise the distinction between income "earned" and "received" in the country would upset the whole system, Mr. Deakin inquired whether it were not true that the British Government were about to differentiate between "earned" and "unearned" incomes, which seemed to be at least as formidable a complication as the other. To Mr. Asquith's remark that by exempting income earned outside the country they would be letting off foreign as well as Colonial taxpayers, Dr. Jameson replied by reminding him that in the official view of the British Government this was not a legitimate differentiation to make.[1]

[1] *Cf.* p. 265.

But probably Mr. Asquith's inability to accept the principle of differentiating between foreigners and British subjects was not the only difficulty in the way of accepting the Colonial proposal. A Unionist Government might have proved just as obdurate, as indeed had happened on previous occasions. Behind all the technical objections put forward in excuse there lay the feeling, not easy to explain to the Colonial representatives, that the Colonies were not paying their fair share of Imperial expenses, and that the British Government ought therefore to extract all it could by such devices as income-tax laid on the net profits of "resident" companies working abroad, and stamp charges on the issue of stocks and bonds from the financial centre of the Empire. The Colonial Stocks Act of 1901 was in effect a concession (recognising the principle of Preference) of probably much greater financial value than the proposed reforms in regard to income-tax and stamp charges on securities, for which in the British view the case was now weaker than before the passage of that Act. That was put forward by Mr. Asquith[1] in justification of his refusal to reconsider the old question of stamp charges on Colonial bonds, which had again been brought up.

Another aspect of the grievance was the result of misapprehension. In New Zealand and elsewhere the impression seemed to prevail that the same shareholders were taxed twice over by the British Treasury, which first taxed the company and then the individual shareholders. But, in reality, as the officials explained, where income-tax had been levied on the company the shareholders received their dividends tax free, and were not mulcted again.

PROFIT ON COINAGE.

Australia preferred a claim to receive the profits

[1] R., p. 195.

on the silver coinage employed there. There was already a branch of the Royal Mint at Melbourne for striking the sovereigns and half-sovereigns; but the silver coins were still struck in Britain, and the Commonwealth did not see why it should not receive any profit there might be on the manufacture. After some difficulty Mr. Deakin elicited from the officials an estimate that the profit amounted to £40,000 a year. Canada was already receiving the corresponding profit, but her case was simplified by the circumstance that she used a distinct, "subsidiary" coinage easily distinguished from that circulating in and between other parts of the Empire. Mr. Asquith expressed the willingness of the Government to arrange for the silver coins to be struck in Australia if the Commonwealth so desired, and to consider the possibility of crediting the profit on the amount of coinage locally employed to other Colonies, such as South Africa and New Zealand, which used the British currency but not on a large enough scale to justify the establishment of local mints. Canada was arranging to have a local mint, like Australia.

Decimal currency is one of those obviously desirable reforms which are indefinitely postponed because, as the late Lord Salisbury might have said, "it involves exertion on the part of somebody"—in this instance the Treasury in particular. A memorandum[1] had been prepared for the Conference by that department, in which the history of successive inquiries was reviewed and the old objections were reiterated, including the argument that the confusion of the transition would entail great hardship on the poor. A memorandum[2] by the Board of Trade in regard to the metric system had also been circulated. Mr. Asquith availed himself of this opportunity—despite Mr.

DECIMAL NOTATIONS.

[1] P., p. 173. [2] P., p. 176.

Deakin's protests—to treat decimal currency and the metric system as inseparable parts of one problem, though the position in the United States seems to demonstrate the fallacy of that. Having got the two things mixed the Chancellor of the Exchequer knocked them both out together by declaring that for the textile trades the adoption of the metric system would alter all their standards and involve scrapping much of their machinery. He concluded that Britain could not afford to move; and the Dominion representatives agreed that separate action on their part would not be worth while. So the two subjects dropped together. In the engineering trade, however, metric standards are already used to a considerable extent.

TRADE STATISTICS.

Mr. Lloyd George's resolution regarding uniformity in trade statistics was passed offhand. A memorandum [1] prepared by the Board of Trade had been circulated. "There," observed Mr. Moor, "is some work for your Secretariat." In this matter a difficulty seems to be that the Board of Trade wants the Dominions to adopt the British classifications, which are held by some authorities to be inferior to the classifications employed in certain of the Dominions. The twin resolution, advocating greater uniformity in company law, was put through with equal despatch, a similar memorandum [2] having been circulated.

PATENTS.

Uniformity of Patent Law, or Mutual Protection of Patents, was the subject of advance resolutions from Australia and Cape Colony. An apparently exhaustive memorandum [3] with a note on recent changes was submitted by the British Patent Office. The ideal, specified in the Australian resolution, would be that a patent granted in any one part of

[1] P., p. 521. [2] P., p. 527. [3] P., pp. 501–20.

the Empire should be valid throughout. Mr. Deakin was well aware that the ideal was not immediately attainable. One formidable difficulty was how to safeguard the principle of "prior registration" in the case of countries so widely scattered, when two different persons in different parts might be trying to patent the same idea at the same time. The practical question resolved itself, said Mr. Deakin, into "how far our Patent systems can be assimilated so as to be easily mutually comprehensible and available."

Mr. Lloyd George welcomed the opportunity. He was highly pleased with the Patent Bill which (without having waited for the Conference) he had lately introduced at Westminster. It adopted, he explained, for the first time the principle of the compulsory working of foreign patents, which he would "very much like to see extended throughout the Empire." With Mr. Deakin's entire concurrence he suggested that to collate the various laws of the Empire would be "a very good work for the new Secretariat to take up." Lord Elgin had already suggested that the subject would be appropriate for a Subsidiary Conference. A less ambitious resolution than the original was drafted by Mr. Lloyd George and accepted by the Conference as soon as, at Sir Wilfrid Laurier's request, he had taken out the word "Colonies" and substituted "Dominions."

COPYRIGHT.

Mr. Lloyd George had prepared a new resolution regarding mutual copyright arrangements, which he was anxious to introduce. "It is very unfair," unguardedly remarked the official opponent of Preference, "that our authors should be treated in a British Dominion exactly as they would be treated in a foreign country." Dr. Smartt supported him; but most of the other members thought the subject

Lloyd George demands British Preference.

was too technical to admit of profitable discussion. Sir Wilfrid Laurier urged that it should be left alone for the present. He himself was helpless without the Canadian Minister of Agriculture, "who, strange to say, has this matter in his hands." Besides, he added, "we cannot attempt to reform everything at this Conference; leave something for the next Conference." So the subject was dropped.

RECIPROCITY AS TO BARRISTERS.

Vested interests reappeared when Sir Joseph Ward introduced his resolution advocating reciprocal admission of barristers. He thought the balance of advantage would really be on the side of Britain, since many British barristers came out to New Zealand, which offered an easier field for those who could not fight their way to the top at Home. The objection that in New Zealand women were admitted to the profession seemed to him to be an unreasoning prejudice, but he was quite willing that the proposed reciprocity should be limited to males. He recognised that the Colonial standards of qualification for admission to the profession would have to be made fully equal to the British.

Sir William (afterwards Lord) Robson, the British Attorney-General, seemed rather to argue round the question. If the qualification in the Colonies were less exacting than in Britain there might be an unfair "Colonial avenue" of admission to the English Bar. Another difficulty was that the professions of solicitor and barrister were combined in New Zealand and some other Colonies. More obviously to the point was the circumstance that in Canada the legal profession was a Provincial interest, and in Australia a State interest, so that their federal representatives at the Conference felt unable to deal with the New Zealand proposal. But Sir William Robson, who explained that he

spoke for the Bar as well as for the British Government, indicated one very practical difficulty :

> "You may depend upon it that although the English Parliament has, perhaps, a higher and more absolute power over Englishmen than any governing body has over any State, still there are unseen but unmistakable limitations to which Parliament is subject, and when it comes up against a profession like the English Bar, it is very apt to discover that its limitations are somewhat substantial. . . . The English Bar is extraordinarily well represented." (R., p. 499.)

No United Kingdom nor United Empire.

A plausible excuse for refusing any extensive kind of reciprocity was that Irish and Scottish barristers were as much aliens as the New Zealanders themselves in the eyes of the English Bar. Mr. Deakin, speaking only as a barrister[1] and obviously anxious to help Sir Joseph Ward, remarked on the anomaly of a man being King's Counsel, perhaps even Attorney-General, in a Dominion and then coming to England to find that here the King was somehow a different King who did not recognise him. Sir William Robson replied that the creation of a K.C. was entirely a matter within the personal discretion of the Lord Chancellor, who could be relied upon not to show any prejudice against Colonials.

Sir Joseph Ward was unwilling to let the matter drop. Some of the "best men" in New Zealand had urged him to bring it forward. By way of compromise he made an attempt to incorporate, in substitution for the original text of his motion, the second of the following recommendations which had been made by a committee of the four Inns of Court and communicated by letter to the Conference :

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[1] R., p. 506.

"(1) That any proposal to give to barristers in any colony or dependency a right to be called to the English Bar while still retaining the right to practise as solicitors in such colony or dependency ought to be opposed.

"(2) That provided it is satisfactorily established that the qualifications for admission as a barrister in any colony are equivalent to those in this country, any proposal for facilitating the call to the English Bar of any barristers in any colony or dependency upon terms analogous to those upon which English solicitors may for the time being be entitled to be called to the Bar should be favourably considered." (P., p. 591.)

It was agreed that the resolution in its amended form should be placed on record "as a suggestion," as Sir Joseph Ward said.

Reciprocity as to Land Surveyors.

A similar resolution had again been submitted by the New Zealand Premier (following Mr. Seddon's action in 1902), in favour of a like reciprocity in the case of Land Surveyors. Here the obstruction of vested interests was not so formidable, and again the essential thing was uniformity of qualifications. The Cape representatives were rather doubtful, believing that in their country the standard of qualification was exceptionally high. As in the case of the barrister proposition, the Australian and Canadian representatives felt themselves debarred from interfering in a matter falling within the jurisdiction of the local Governments rather than their own. Mr. Deakin's remark, "We representatives of Federal Governments cannot take any official part," illustrates how far the Conference was from regarding itself as an "advisory" rather than an executive body. The Surveyors' Institution of Britain had sent in a memorandum deprecating the necessity of fresh examinations for men already qualified when they moved to another part of

Conference not an "advisory council."

the Empire, and suggesting a plan of reciprocity. A resolution was now passed by the Conference commending this memorandum to the favourable consideration of the several Governments:

> "*Mr. Brodeur*—Would that include both the Federal and the Provincial Governments?
> "*Chairman*—Yes, they are the examining authority.
> "*Sir Wilfrid Laurier*—That is a pious wish, and nothing else." (R., p. 506.)

Universal Penny Postage.

Sir Joseph Ward, who has been among the most zealous pioneers of cheap postage and telegraphy, had brought a resolution advocating Universal Penny Postage, the relevancy of which to the interests of the Imperial Conference was not quite apparent. Indeed, the British Postmaster-General, Mr. Buxton, fell back on the principle of Preference as a sufficient reason for not hurrying to commit the country to risking £450,000 of revenue for the sake of foreign intercourse. Imperial Penny Postage had only been in operation for a short time, and was not yet general throughout the Empire. He suggested, therefore, that they might wait a little longer to judge its effect in stimulating correspondence before proceeding to the larger measure. He took the opportunity to mention that the Imperial Postal Order had now been accepted by all the Colonies excepting Canada and Australia, and that he was trying to arrange a system of cash-on-delivery for facilitating small purchases as between Britain and other parts of the Empire.

Mr. Deakin regretted Australia's delay in adopting Imperial Penny Postage, but pleaded the difficulty of reducing the internal rate to a penny, which the other reform would necessitate. "There are places in which it costs us several shillings for the delivery of every letter." He agreed that until penny postage was

universal within the Empire it would be a "little previous" to think about making it universal outside. Sir Joseph Ward, however, was convinced that if the Commonwealth would adopt the penny rate the financial results would be as encouraging there as they had been in Canada and New Zealand. The Conference adopted a modified form of his resolution.

CHAPTER XV

THE DEVELOPMENT FUND, AND THE ALL-RED ROUTE

"Please understand that if this resolution of mine were rejected by every individual member of the Conference I should deplore our divergencies, but it would not in any way depress me. I should take the benefit of all the criticism, not regretting that I had brought the matter forward. My faith is that it is better to make a mistake attempting to frame a practical proposal than to do nothing at all. If this was a mistake, and I am satisfied it was not, I have at least succeeded in bringing the question right home. We are not here to score verbal victories by carrying resolutions, or to feel defeated if we do not carry them, but we are here to make some advance by the frank discussion of these Imperial possibilities. I am obliged to the Minister for getting beyond the accidents of my proposal to its essence at the close."—(Mr. Deakin, *winding up the discussion on his proposal to create a Development Fund and Development Commissioners for the British Empire. R., p.* 529.)

Deakin's adaptation of the Hofmeyr proposal.

Mr. Deakin was determined to leave no stone unturned in the effort to induce the British Government to approach the question of closer union in a more liberal spirit. Since British Ministers had protested their anxiety to find some plan of co-operation for developing trade within the Empire by methods other than Preference, he at once proposed that the Conference should reconsider in this connection the plan suggested by Mr. Hofmeyr at the session of 1887.

Mr. Hofmeyr had suggested it as a means primarily of financing naval defence; but the same fiscal expedient had subsequently been mooted by Sir George Sydenham Clarke[1] in connection with other schemes of joint Imperial enterprise. The expedient

[1] *Nineteenth Century*, May 1904.

was the levying of a uniform surtax—say at the rate of 1 per cent.—on all foreign imports by each Government of the Empire, over and above any pre-existing tariff. But if the British Government could not see their way even to levying a purely revenue duty of only 1 per cent. on foreign imports for an Imperial purpose, they would be at perfect liberty, Mr. Deakin postulated, to contribute their "quota" by direct taxation, simply making a grant to the Imperial Development Fund of an amount equivalent to what the duty would have yielded. Thus the Dominions and Britain would each be able to follow out their respective ideas as to the best fiscal expedient for financing joint enterprises. The main thing was the principle of having a joint fund; not the precise manner of raising the money:

> "I want to put the fiscal question right out of consideration in this connection, and want to recognise the difference in the situation of the Mother Country; but if you are going to undertake Imperial purposes it must be done more or less by expenditure of what may be called Imperial funds." (R., p. 352.)

Laurier's first objection.

Sir Wilfrid Laurier objected at once. In Canada they had just finished revising their tariff, and this additional 1 per cent. would upset the whole thing. He appealed to the Australian Minister of Trade and Customs to confirm him in saying that the last 1 or 2 per cent. on a tariff rate was often a very contentious matter.

The other Premiers were not inclined to take the subject up until they had considered it beforehand.

Lloyd George suspicious.

Mr. Lloyd George's attitude was characteristic of the Free Trader who was shortly to introduce the most hopelessly complicated proposals of taxation ever laid before any Parliament in the British Empire;

"*Mr. Lloyd George*—I would be prepared to speak to it (*i.e.* Mr. Deakin's proposal), but I agree with Sir Wilfrid Laurier and Sir Joseph Ward that it is simply adding another complication to the one which is involved in the preferential proposal.

"*Mr. Deakin*—This is a very complex Empire, and only complex means can deal with its needs.

"*Mr. Lloyd George*—I think that very often the simplest proposals are those which deal most effectively with complicated situations." (R., p. 353.)

Accordingly the subject was postponed to a later day. When the time came Mr. Deakin produced a draft resolution:

Deakin's resolution.

"This Conference recommends that, in order to provide funds for developing trade, commerce, the means of communication and those of transport within the Empire, a duty of 1 per cent. upon all foreign imports shall be levied, or an equivalent contribution be made by each of its Legislatures. After consultations between their representatives in conference, the common fund shall be devoted to co-operative projects approved by the Legislatures affected, with the general purpose of fostering the industrial affairs of the Empire so as to promote its growth and unity." (R., p. 443.)

He explained how the system was intended to work:

"I will go into the figures later. The principle is that you (Britain) put into this fund, for argument's sake, £800,000, and we (Australia) £100,000, as far as we two are concerned. Then for any joint service you would consider how much of your £800,000 you would devote towards it, and we would consider how much of our £100,000 we should devote towards it. We should not be the only partners. Any proposal we were interested in, New Zealand might be, and Canada might be, and others might be. But the idea is to have a joint fund. Roughly the amount contributed by each country to that fund

should be within its own control to the extent that it could not be applied to any purposes until its Legislature has approved of the proposal, which would set out how much the United Kingdom, how much Canada, how much Australia, and how much New Zealand should contribute. The Legislatures do not let go of anything. They deal with their own money under this Resolution as they do now, and unless they are satisfied a fair distribution has been arranged they will not pass it."

"*Sir Wilfrid Laurier*—You say it is to be a general fund, and if you create a general fund, how are you leaving it to the Legislatures to distribute?

"*Mr. Deakin*—You have no choice between that and creating some other body which would displace our Legislatures. I think that is impossible.

"*Sir Wilfrid Laurier*—You can leave it to each Legislature to do as much as it pleases without creating a fund.

"*Mr. Deakin*—But if we can agree at once that there shall be such a fund and fix its amount, that would be a first step to Imperial co-operation. The existence of that fund would make it imperative that there should be from time to time consultations of a business character as to how that fund should be applied, and how the respective portions contributed by each shall be arranged. It would have to be absolutely under the control of the Legislatures, but there would be a fund and full consideration from time to time as to how it could be most fruitfully applied. The Legislatures would have to be satisfied as to its application in each instance.

"*Dr. Jameson*—I think this is an attempt on Mr. Deakin's part to found a fund for the schemes which the President of the Board of Trade suggested.

"*Mr. Lloyd George*—To found a fund at our expense.

"*Dr. Jameson*—Not all at your expense. Up to now the indication has been that it was to come entirely from the Chancellor of the Exchequer.[1]

[1] *Supra*, p. 233.

"*Mr. Lloyd George*—We should contribute at least £5 for every £1 the Colonies in the aggregate would contribute. Perhaps that is too high, but two or three to one at least.

"*Mr. Deakin*—We are over 12,000,000 people and you 43,000,000 people—between three and four times as much." (R., p. 44–56.)

This preliminary skirmish, after which the further discussion of the subject was again adjourned, revealed once more the apathetic, suspicious, push-you-off attitude which the British Government instinctively adopted. A few days before they had, as Dr. Jameson reminds us above, felt inclined to throw a lavish dole, with some idea of saving their face. But that transient mood had passed, and now they had relapsed again into sullen obstruction.

Advantages of the scheme.

The subject was resumed at a time convenient to Mr. Lloyd George, who was preoccupied with the task of convincing his supporters in Parliament that his Patent Bill—more stringent in its compulsory clauses than any corresponding measure in protectionist countries, where the tariff serves the main purpose—did not violate the free-trade law against interfering with the "natural" distribution of industries.[1] Mr. Deakin briefly recapitulated the objects of his proposal. He instanced mail services, cables, and relief from Suez Canal dues as typical purposes to which the proposed Development Fund might be applied. Such enterprises had the merit, he pointed out, of benefiting "both ends" as well as intermediate points. Britain would score by being herself at one end of the line in almost every scheme of communications that could be suggested. He submitted that the distribution of benefits from expenditure on such objects

[1] In reply to the free-trade argument about the "natural" course of trade, Sir William Lyne and others had remarked that the "natural" course was to trade with your own kindred.

did bear some proportion to the distribution of population and of trade interests; so that Britain would gain advantages proportionate to her relatively large contribution as compared with the Dominions. He did not dispute that to provide the money first and look for schemes to spend it on afterwards "inverts the usual order of proceedings to some extent." But it would have the supreme advantage of turning the general and expressed desire to co-operate for purposes of this kind into a channel leading to practical results. The money being there, it would be impossible to go on postponing, as was always happening under the existing conditions. Representatives of the contributory Governments would of necessity have to come together and prepare schemes, apportioning the expenditure in each case. Then it would remain for each separate Legislature to say whether it would consent to allot the proposed portion of its part of the Fund to the purpose specified. If it refused: well, the responsibility for rejecting a concrete proposal of Imperial co-operation would at least rest on the right shoulders, *viz.* the representatives of the people; and that State's unexpended quota would simply go on accumulating until some proposal was made which its Legislature could approve as being both desirable and financially fair to all. Of course, Mr. Deakin recognised, such a procedure would be cumbersome, depending each time on the individual consent of the several Legislatures to the particular project; but no other plan was possible consistently with the postulated principle of autonomy. At any rate it would be an advance upon present conditions, under which nothing was ever done without prolonged delay and great difficulty, to turn into concrete achievement a principle of co-operation for which in the abstract they all professed unbounded enthusiasm

To elucidate the discussion a table is here inserted showing approximately how much would be contributed to such a Development Fund by various parts of the Empire on three distinct bases, *viz.*: (1) 2s. per head of population; (2) 1 per cent. surtax on foreign imports; (3) 1 per cent. on foreign imports other than American. It will be noticed at once that, whatever may be the other defects of the Hofmeyr surtax as a standard of contribution, it at least avoids the *reductio ad absurdum* which is reached as soon as the population basis is applied to the Empire as a whole, including India. In regard to the self-governing States, the yield of a 2s. poll-tax approximates in the aggregate to that of 1 per cent. on foreign imports; though the distribution between the several States is widely dissimilar in the two cases for all excepting Britain. But the moment India is included the population basis produces an absurd result, debiting India with £30,000,000; whereas the Hofmeyr basis would debit her with something between the Canadian and Australian contributions, which is plainly nearer the standard of equality of sacrifice.

Bases contribution compared.

	Population. Est. 1911.	Revenue at 2s. per head.	Revenue at 1% on Foreign Imports. 1909.	Revenue at 1% on Foreign Imports other than American.
		£	£	£
Britain . . .	45,000,000	4,500,000	4,794,530	3,610,691
Canada . . .	8,000,000	800,000	460,000	62,240
Australia . .	4,500,000	450,000	135,000	81,118
New Zealand .	1,100,000	110,000	21,197	9,534
S. Africa (white) .	1,400,000	140,000	89,295	67,337
Newfoundland .	250,000	25,000	9,377	676
		6,025,000	5,509,397	3,831,596
India . . .	315,000,000	31,500,000	234,707	212,952
Jamaica . .	860,000	86,000	12,683	1,167

Question of "fairness."

But Mr. Deakin claimed for his proposal that this question of fairness in the apportionment—the old insoluble problem—really did not arise in connection therewith, because each Legislature would retain the right of deciding how much, if any, of its quota should be assigned to any particular project which the Development Commissioners might recommend. When Mr. Lloyd George protested that the scheme was "grossly unfair" as between the mother country and the Colonies—though it was not obviously unfair at all—Mr. Deakin quietly replied: "Each spends its own money." And when the British Minister went on to declare that it was also unfair as between the several Colonies, he again replied simply: "Each spends its own money."

Lloyd George's first objection.

Mr. Lloyd George seems, indeed, to have been floundering for an argument—it did not matter what, so long as it would serve for refusing to consider the proposal any further. His first inspiration had been to attack the scheme on the ground that contributions to the British Admiralty were excluded from its scope; the reason for that being, as Mr. Deakin explained, that the larger Colonies disliked the cash-subsidy principle of naval defence. But while remarking complainingly on the disparity between Britain's 33-million naval estimates and the trivial amount of the Colonial contributions, Mr. Lloyd George had not drawn the conclusion that owing to the "unfairness" of the distribution Britain should spend less money or none at all on her navy. Perceiving the inconsistency into which he was blundering, he hastily veered on to another tack, and acknowledged that the Development Fund would be advantageous to Britain:

> "I am certain there would be a very considerable benefit to the Empire as a whole; we would benefit,

> the Colonies would benefit, each individually, and the Empire as a whole would be the richer for it. I am confident of that." (R., p. 515.)

What, then, was the insuperable objection? He went on to explain:

> "But the experience of Canada has proved that while preference has undoubtedly stimulated trade between the Mother Country and the Dominion, the relative effect on Canadian export trade, as a whole, has been much greater than on the export trade of the United Kingdom. The only advantage of this proposal, if I may say so, is this: I think that it is useful as furnishing with almost mathematical precision Mr. Deakin's ideas as to the proportion of the burden of Imperial Preference which should be borne by the Mother Country and by the self-governing Colonies respectively." (*Ibid.*)

His false idea of "Reciprocity."

So the fetish-bound party man had revealed himself again. He had fallen back on the old argument of the narrowest protectionism whenever reciprocity is proposed between a big country and a little one. You must not take a shilling profit if the other man is going to make eighteenpence out of the transaction. Cut off your nose to spite your face. That is not the liberal theory of reciprocity; which simply is that so long as there is mutual profit in the proposal neither party, and least of all a rich country, need worry about whether the gain is relatively greater or less to the other side. Such is the spirit in which President Taft is coaxing Canada away from Imperial Reciprocity into the path of American commercial union. But such was not the spirit in which the British Government of 1907, intent on party self-preservation, received the honest overtures of the Dominion statesmen.

Mr. Deakin protested against the line of objection which Mr. Lloyd George was adopting:

> "He persists in assuming that I propose that the Legislatures should in some mysterious manner be moved to vote their own money for unbusiness-like proposals and in unfair proportions. . . . It is left to each Legislature to decide how they should spend their money, and how much money they should spend. What better security could there be? Again, even if the argument had discovered a defect in the particular system of raising the money, it does not point to a defect in the principle I am concerned to maintain. This is that if we remain as we are, dependent upon individual negotiations between one or two Governments concerned in occasional arrangements, we shall be in no better position after this Conference than we were before it." (R., p. 517.)

Laurier hostile.

Sir Wilfrid Laurier also seems to have been prejudiced against the proposal; his first criticism being unusually confused for a statesman whose exposition is generally lucid. He appeared to argue that unless the British Government actually levied the 1 per cent. on foreign imports, the standard of contribution for the others would remain indeterminate. Mr. Deakin explained again that a "calculation" of 1 per cent. on foreign imports would suffice to fix the quota; but for some obscure reason Sir Wilfrid Laurier was unable to accept this. His more general objection to the proposal was quite simple. He preferred the old method of agreeing first on a particular scheme and finding the money for it afterwards, instead of reversing the process, as Mr. Deakin now proposed. At the time of this discussion he had not yet brought forward his cherished "all-red" mail service proposition; and probably he had been misled by the protestations of British Ministers into thinking that they would entertain it favourably:

> "I hope before we separate we can find an actual scheme on which we can ask the contribution of the British Government and all or some of the Governments here represented—some big scheme of communication among ourselves. This is what you have in mind yourself, Mr. Deakin. Therefore I think you should not propose the motion to-day." (R., p. 527.)

Ward's criticism.

Sir Joseph Ward's objection to Mr. Deakin's proposal was very different in spirit from that of Mr. Lloyd George. He complained that under it his country would not contribute nearly enough. So British was the trade of New Zealand that her quota, at 1 per cent. on foreign imports, would only be a beggarly £20,000 a year; whereas something nearer £100,000 a year would be readily voted by the New Zealand Legislature for projects of the kind contemplated. Another objection was that the principle of a surtax had already been tried in the Colony with unsatisfactory results. There had formerly been a uniform duty—a surtax so far as it applied to articles previously dutiable—of 2½ per cent. on all imports, in aid of the general revenue. It proved so unpopular with all classes that it had to be repealed. Sir Joseph Ward did not explain why it had been unpopular. He had forgotten for the moment both that the actual proposal was a surtax on foreign imports only, and that the quota might be made up by ordinary taxation. He went on to raise the further objection that, under the thorough-going system of preference which New Zealand would like, the revenue from a surtax on foreign goods only would be a dwindling amount. Still, his sympathies were "entirely in the direction" of Mr. Deakin's aim; and he too, while unable to support this particular proposal for the reasons given, was most anxious to take some practical step in advance.

Jameson's attitude.

Dr. Jameson (C.C.) was likewise "quite in accord with the general principle" of trying to turn this universally professed spirit of co-operation to some practical account instead of allowing it to vanish once more into thin air when the Conference dispersed. But he agreed with the Canadian Premier that Mr. Deakin's proposal was complicated; and so he would wait to hear what alternative plan the British Ministers had to propose. Mr. Moor (Nat.) took the same line. Though he felt that Mr. Deakin's scheme had "at any rate a practical ring about it," he would not make up his mind until the British Ministers had explained in what better way their reiterated sympathy might take a concrete form.

Bond hostile.

Sir Robert Bond could not support Mr. Deakin, the bulk of Newfoundland's trade being with foreign countries. He did not give statistics to show how much they imported from the United States; though he mentioned that it consisted largely of food stuffs. But the figures given in the last two columns of the above table seem to indicate pretty clearly why the proposal could not be entertained by a Government which—though Sir Robert Bond did not tell the Conference so—was still staking everything on the chances of an American trade treaty.

Deakin's reply.

Mr. Deakin replied to the criticisms. Acknowledging the cordial tone adopted by most of his Dominion colleagues, even while they differed from him, he insisted again that he was not wedded to 1 per cent. or to the surtax principle itself, or to any particular plan whatsoever. He had merely taken up an old plan rather than try to invent a new one of his own; simply because the old one, being more or less familiar already, might afford the easiest basis for the discussion he wished to raise. His sole object had been to elicit alternative proposals in the

hope that thus some or other practical method might be found for co-operative action towards ends on which all were agreed. If his tentative suggestion would not do, what alternative line of advance had any of them to offer? That was the whole point, and they had not met it. In particular, what alternative had British Ministers to suggest, since on them lay the onus of having blocked the path of Imperial Reciprocity which all the rest were eager to travel?

> "They simply say, 'Bring forward a particular proposal and we will look at it.' We knew that before. That is a very admirable attitude, the purely negative attitude they always have taken and always will take, and the attitude other Ministers in the same quandary always will take—I am not finding fault with that. I have asked, 'Can we do anything more?' The answer is, 'We cannot do anything more.'" (R., p. 524.)

Lloyd George's motion.

Pressed by this challenge, Mr. Lloyd George at once declared that, for his own part, if his ministerial colleagues would agree, he would assent to some plan of "systematic consultation" in connection with these projects of communication. That would be an advance on the existing position without involving the provision of money in anticipation of definite schemes. The suggestion had already been made by Sir Joseph Ward as a possible compromise; and Mr. Lloyd George himself was willing to accept it "just to show our *bona fides*." He offered the following redraft of Mr. Deakin's resolution:

> "This Conference recommends that in order to develop trade, commerce, the means of communication, and those of transport within the Empire, it is desirable that some means should be devised for systematic consultation between the members of

various parts of the Empire for the purpose of considering co-operative projects for the general purpose of fostering the industrial forces of the Empire, so as to promote its growth and unity." (R., p. 526.)

Function of the Secretariat.

Mr. Deakin immediately hailed the motion as "a most distinct advance" on the position hitherto held by the British Ministers, preparing the way for thorough examination of definite schemes. To Mr. Lloyd George's retort, "You have no schemes," he replied, "We are full of them"; and at once inquired whether for the purpose of the systematic consultation the Dominion Governments should communicate with the Board of Trade or with the new Secretariat.

> "*Chairman*—May I say that I undertook at the beginning of the Conference to organise a Secretariat. I have not had time since the Conference met, and I think you must really leave me some scope. . . . It is really a question of organisation as to what part of the business is to come through this Secretariat in this Office, or what part may go through the Board of Trade. I have undertaken the organisation of the Secretariat.
>
> "*Mr. Deakin*—I do not think that is an answer."

Lloyd George suppressed by his colleagues.

It is clear in retrospect that the British Government had no intention of allowing the Imperial movement to go forward. Having succeeded in annexing the Secretariat, they were not going to let it be used for the kind of purpose which had been the main object of those who had fathered the idea. It was to be kept in party leading-strings inside the Colonial Office. Mr. Winston Churchill, again intervening without any *locus standi*, quickly came to the aid of his chief in restraining Mr. Lloyd George from going ahead. He argued that Mr. Lloyd George's resolution was superfluous because its intention was covered by the general Resolution already passed in regard

to "subsidiary" Conferences. Mr. Deakin hastened to correct that idea; pointing out that Mr. Lloyd George's proposal was for regular and constant consultation, instead of spasmodic conventions only to be held when some specific scheme had come to a certain stage. It therefore marked an advance; whereas the Subsidiary-Conference resolution was merely a recognition of pre-existing practice.

But the Lloyd-George resolution was not put to the vote. Though all the other members also seemed ready to support it, Sir Wilfrid Laurier desired to let it stand over until his own specific scheme, the All-Red mail proposition, had been discussed. So the chairman decided to record in the minutes simply that Mr. Deakin and Mr. Lloyd George had submitted their respective resolutions.

The Constitutional objection.

Mr. Deakin's disappointment is apparent in the dignified sentences with which he proceeded to close the discussion; and which are recorded at the head of this chapter. But there remains one other objection of the British Ministers to notice more particularly. They had fastened, in the course of the discussion, on the constitutional aspect of the proposal:

> "*Mr. Lloyd George*—You must have a scheme before you consider the money part of it.
>
> "*Dr. Jameson*—It is a very useful thing to have a fund to draw upon for any scheme.
>
> "*Mr. Winston Churchill*—Having a fund and then looking for objects to spend it on was pithily described the other day as finding a biscuit in the street and then buying a dog to give it to." (R., p. 521.)
>
> "*Mr. Lloyd George*—To bring forward a proposal . . . with no scheme, no plan of spending, not a glimmer of an idea what the money is to go to, but simply saying, 'We are to pool it, and until we can find something to spend it on let it roll up,'—if that is a scheme for a great commercial Empire, I

think it is a scheme *pour rire*, if I may say so. It is not as if there was a definite plan, which is exactly what Mr. Asquith has asked for, and very properly asked for. He said he was prepared to recommend the Treasury to find the money." (R., p. 523.)

"*Sir Wilfrid Laurier*—If there is anything which is true in constitutional British government it is this, that you do not provide money in advance for anything. Your proposal is to create a general fund and then you find how you are to apply it afterwards. . . . That seems to me an absolute departure from constitutional government." (R., p. 527.)

The Development Act—Lloyd George borrows Deakin's idea.

Mr. Lloyd George's remark that there was "not the glimmer of an idea" as to the nature of the schemes on which the money should be spent was another example of prejudice. For, Mr. Deakin had at the outset made it perfectly clear—and all the others quite understood—that the Development Fund was to be for those classes of co-operative enterprise which British Ministers had effusively blessed, particularly shipping and telegraphic communications. But more interest attaches now to the constitutional objection which Mr. Lloyd George and his future colleague, Mr. Churchill, had put into such contemptuous language. They were destined, within two years, to pay the sincerest form of homage to the scheme which they had thus ridiculed. In 1909 Mr. Lloyd George introduced in Parliament his Development Bill for the United Kingdom; a measure based on the very same principle which he had rejected with contumely when it was urged by Mr. Deakin as an instrument of Imperial partnership. It seems clear that Mr. Lloyd George took his inspiration for the Development Bill from Mr. Deakin's proposal, without any acknowledgment.

Under "The Development and Road Improvement Funds Act," 1909, sums of money may be placed in

advance at the disposal of the Treasury; to be spent on the advice of certain Development Commissioners for the purposes of "aiding and developing agriculture," afforestation, reclamation, rural transport (other than road-making, which is assigned to a special Road Board with separate revenues), construction and improvement of harbours, and of inland navigation, development and improvement of fisheries, and, generally, "any other purpose calculated to promote the economic development of the United Kingdom." As to definite schemes there was not "a glimmer of an idea" at the time of introducing the Bill; but the Commissioners have found no lack of "dogs" waiting for the "biscuit." The Commissioners are to consider and report upon applications submitted by outside bodies for grants in aid of such schemes, or they may themselves prepare schemes to be carried out with this money. By way of starting the Development Fund the Act ordained that "there shall be charged and issued out of the Consolidated Fund . . . in the year ending 31st March 1911, and in each of the next succeeding four years, the sum of £500,000." Provision also was made for what Mr. Lloyd George might again have called the "rolling up" of unexpended balances. The only difference in constitutional principle between his Act and the Deakin proposal seems to be that the Treasury, acting on the advice of the Development Commissioners and on the responsibility of the Minister, may grant money for any scheme without that prior endorsement of Parliament for which Mr. Deakin stipulated. Thus the constitutional objection which Mr. Lloyd George raised against Mr. Deakin's plan seems to apply *a fortiori* to his own.

Nor is it clear that in 1907 the principle of the Deakin plan, though it may have been novel to

A Canadian analogy for Deakin's plan.

Britain, was actually unknown to Canada or to Sir Wilfrid Laurier's Government. In 1899 there was passed an Act "respecting the City of Ottawa," under which an annual grant of £12,000 is payable quarterly in advance to certain Commissioners for them to expend, co-operating with the Corporation, "in the improvement and beautifying of the said city," by the creation and maintenance of parks, roads, or public buildings in the city or neighbourhood. Estimates must be submitted to the Minister of Finance, and accounts must be audited in the same way as in the case of other public moneys. Three out of the four Commissioners are appointed by the Government and hold office during pleasure, the fourth being appointed by the Corporation. No salaries are payable to them. Under Mr. Lloyd George's Act, on the other hand, the Development Commissioners are appointed for ten years, and two out of the five are salaried, up to £3000 apiece.

Principle of Deakin's plan established by British precedent.

To Mr. Lloyd George, at any rate, is due the credit, if such it be in his own despite, for having cleared the way for a reconsideration in a less prejudiced atmosphere of the question of an Imperial Development Fund, and Development Commissioners. Although those terms were not used in the 1907 discussion, nor were familiar at that time in any similar context, they have been employed throughout this chapter because to-day—thanks to Mr. Lloyd George—they convey immediately to English readers not only the general idea but also the political structure of Mr. Deakin's proposal. No prejudice is awakened by the terminology. On the contrary, Mr. Lloyd George's measure—albeit a characteristically crude device, overlapping the functions of several other Departments, for promoting practical enterprises which were beyond the capacity of a Government of phrase-

makers to tackle—is at present exceedingly popular in Britain; people feeling that here at last is a real chance of getting official "sympathy" translated into deeds. A similar reception awaits in Britain any future proposal to create similar machinery for the Empire.

The All-Red Mail Service.

On the following day (the 15th sitting) Sir Wilfrid Laurier had his opportunity of putting to the test the simpler and more constitutional method which he favoured for effecting the admittedly laudable purpose of Mr. Deakin's proposal. The All-Red mail service, as this long-standing project had now come to be named, was substantially the same proposition as that which had been so fully discussed and generally accepted at the Ottawa session of 1894, but had failed afterwards to materialise. In passing it may be noted that neither his Preference resolution nor that which he was now to propose, had been submitted by Sir Wilfrid Laurier in advance. For some reason it seems to have become the tradition of the Canadian Government not to respond to the preliminary invitation of the President to send in suggestions for the agenda; though when the time came Canada has generally had something substantial to bring before the Conference. Her Premier now moved the following resolution:

Laurier's motion.

> "That in the opinion of this Conference the interests of the Empire demand that in so far as possible its different portions should be connected by the best possible means of mail communication, travel, and transportation; that to this end steps should immediately be taken to establish a fast service from Great Britain to Canada, and through Canada to Australia and New Zealand, and also to China and Japan; that such service upon the Atlantic Ocean should be carried on by steamships equal in speed and character to the best now in existence, and upon the Pacific Ocean by steamships of a speed of not less than 18 knots, and in other respects as nearly equal to the Atlantic ships as circumstances

will permit; that for the purpose of carrying the above project into effect, such financial support as may be necessary should be contributed by Great Britain, Canada, Australia, and New Zealand in equitable proportions." (R., p. 565.)

It will be noticed that the above resolution included an improved service across the Pacific to China and Japan as well as to Australasia. To the Canadian Government the connection with the Far East (or West, from a Canadian standpoint), had always seemed hardly less important than the connection with Australasia; especially, perhaps, since in 1906 they had brought Canada under the Anglo-Japanese commercial treaty. But the fast Atlantic service was a first section common to both the China and the Australasia routes; so that by supporting the Australasian Pacific project the Canadian Government in effect secured Australasian support for their China project also. Sir Wilfrid Laurier fully recognised this. His Government, he declared, would support liberally both the Atlantic and the Pacific sections, at least as liberally as any other partner.

The following table will facilitate an understanding of the schemes put forward:

	Distance in miles.	Ward's proposed time-table: days.
Liverpool to New York	*n.* 3,036	
" { to Halifax	*n.* 2,485	4
" { or to Quebec	*n.* 2,625	
Halifax to Vancouver	3,655	4
Quebec " "	3,069	
Vancouver { to Wellington . . .	*n.* 6,447	12 to 13
{ or Auckland . . .	*n.* 6,205	
(*viâ* Honolulu and Suva, Fiji)		20 to 21
Wellington to Sydney	*n.* 1,233	3
		23 to 24

n. = Nautical miles.

Sir Wilfrid Laurier, explaining his proposal, was brief and to the point. There could be no two views, he would assume, about the desirability of taking advantage of the shorter Atlantic distance to Halifax (winter) or Quebec (summer) as compared with New York in order to bring the leading Dominions nearer to Britain. Assuming ships of equal speed (24 knots), the Canadian Atlantic passage was two days less than the American. This proposal meant crossing the Atlantic in four days from Liverpool. Another four days by transcontinental rail would land passengers and mails on the Pacific coast at Vancouver. Assuming 18 knots on the Pacific, Sydney would be reached direct from Vancouver in 16 days; bringing the total journey from Liverpool within twenty-five days, which would be a considerable reduction on the existing time (about thirty-one days to Sydney by the Suez Canal route). Later on he expressed regret that, some five years before, Britain should have subsidised the big Cunarders to go to New York; instead of taking the opportunity to initiate a Canadian service instead.[1]

[1] The terms of the agreement between the British Government and the Cunard Company were as follows: (1) That the Cunard Company shall build two large steamers for the Atlantic trade capable of maintaining an average speed of 25 knots and a *minimum* ocean-going speed of 23½ knots. The agreement is to remain in force for 20 years from the date of the completion of the vessels. (2) The Government to advance a sum equal to the cost of completing the two new vessels, such sum, however, not to exceed a total of £2,600,000. The interest payable by the company on this loan to be at the rate of 2¾ per cent. per annum. The security for the loan to be a specific mortgage upon practically the whole of the company's assets. The loan to be payable by annual instalments extending over 20 years from the completion of the vessels. (3) From the time the new vessels commenced to run the Government was to pay the company at the rate of £150,000 per annum instead of the present Admiralty subvention. The company previously were receiving £68,000 per annum for the carriage of mails. On the other hand, the company has pledged itself to remain until the expiry of the agreement a purely British undertaking, and the necessary alterations have been made in the articles of association to preclude foreigners or their British nominees from becoming shareholders. The company has also undertaken not unduly to raise freights or give any preferential rates to foreigners. (*Times*, Dec. 10, 1906.)

The Australian attitude.

Mr. Deakin pointed out at once—as his predecessor did at Ottawa in 1894—that for Australia the drawback of the scheme was the double transhipment at the Pacific and Atlantic terminals, which rendered the route useless for freight service. But though that consideration would preclude the Commonwealth from offering any lavish subsidy, he recognised that quicker mail and passenger communication would assist Australian commerce. His colleague, Sir William Lyne, disputed the Canadian Premier's Pacific time-table. Allowing for necessary coalings *en route*, and going round by New Zealand (which he assumed would be necessary) the through journey would take not less than thirty days, or twenty-seven days if New Zealand were omitted. To be materially useful to Australia the new service would have to be shortened considerably.

New Zealand enthusiastic.

Sir Joseph Ward approached the question in a vigorous style. Like his predecessor, the "purely commercial man" at Ottawa in 1894, he hoped they would all get rid of "every element of parochialism," and look at the matter from the standpoint of the common weal. Of course the boats must come to New Zealand first, merely because New Zealand was nearer than Sydney to Vancouver. New Zealand could not look at it otherwise. But Sydney would get all the terminal advantages and be the first point of departure for the return journey. New Zealand was tired of being kept in the "backwoods," five or six weeks by British routes from Britain when steam could take them there in three weeks. His Government would not give a halfpenny to a slow service; but they would gladly give £100,000 a year to a proper one. Already they were paying £40,000—half to the Vancouver line and half for their San Francisco mail service, which brought them within

twenty-eight days of England—but they would gladly drop the American boats if they could get the kind of service they wanted, *viâ* Vancouver, which was a somewhat longer route but all-British. It was no use talking of merely 18 knots on the Pacific. They must have 22 knots on the Pacific, and of course put all notions of cargo out of their heads. Cargo would always go mainly by tramp steamers; and in that matter the thing to do was to reduce or abolish the prohibitive dues on the Suez Canal. But this trans-Canada scheme must be regarded as a mail service pure and simple. Accepting Sir Wilfrid Laurier's Liverpool-Vancouver time-table, 22 knots on the Pacific would reduce the total journey to three weeks from Liverpool to Auckland or Wellington, and about twenty-four days to the Sydney terminus. The present was a golden opportunity, the San Francisco earthquake having temporarily stopped the American service. But if New Zealand could not get an all-red service of the kind she hoped for, there would be nothing for it but to renew negotiations with the Americans. The Conference had been talking about emigration. The way to get British immigrants was to offer cheap passages from Britain on fast ships. "From our point of view, instead of spending anything for emigration, we would one hundred thousand times rather give it as a matter of practical business to a fast service to bring our own countries within three weeks of London." It might cost £300,000 a year more than any service they had hitherto had; but what was that among the partner States in comparison with the object in view? So let them get to business without delay. He had been agitating this matter for seventeen or eighteen years—ever since his Government had sent him to Ottawa about it in 1895, when he signed the contract which Canada

afterwards dropped—and it was high time to get something done. He would ask Sir Wilfrid Laurier to amend his resolution by specifying faster steamers for the Pacific service, and by proposing that tenders should forthwith be invited. (Sir Wilfrid Laurier signified his assent.) That would bring the matter, argued Sir Joseph Ward, on to a practical footing at once, and was the only way of doing it.[1]

S. Africa not concerned.

South Africa was not directly interested in the question. With the idea, however, of helping his colleagues, Dr. Jameson suggested that perhaps it would be better to divide the scheme into its Atlantic and Pacific parts and consider these separately. (He did not realise how this splitting up would weaken the Australasian interest in the scheme; or that the same expedient had been put forward at the Ottawa session thirteen years before.) Sir William Lyne likewise revived an old idea by suggesting that New Zealand should be content with a branch service from Fiji; but Sir Joseph Ward would not hear of any such avoidable transhipment.

British Government's shuffling attitude.

It now remained for British Ministers to "make good," as the saying is; and to vindicate Sir Wilfrid Laurier's political judgment in relying on their sincerity and squelching Mr. Deakin's proposal to have a Development Fund. Mr. Lloyd George was not long in showing their hand. He was dreadfully sorry that the Canadian resolution should have been shown to him on the previous evening only, too late for the Cabinet to give it due consideration. They would want to submit the scheme to "experts," in order to find out if it would be feasible except at "prohibitive" expense, which he very much doubted. Further, he remarked that there was an "alternative" proposal from Australia in regard to the Suez Canal. It was

[1] This was the story of the Pacific cable over again. *Cf.* vol. i. p. 244.

"not only a matter of a fast mail service, but also a question of the cheaper transport of goods and materials from the Colonies." Finally, they would have to consider the probable opening in a few years of the Panama Canal, which might revolutionise all the conditions. Accordingly the British Government wished to amend the Canadian resolution in two respects; first, by substituting something about "initiate concerted inquiry" in place of the affirmation that the scheme was desirable; and, secondly, to add something at the end to the effect that the concerted inquiry should cover also all other proposals of a similar nature.

Newfoundland's scheme.

Here they were helped by Sir Robert Bond. The Newfoundland Government, he explained, had a scheme for bringing a fast Atlantic service to that Colony, and had already committed themselves to a heavy subsidy in land and mineral rights as well as cash. The prospective contractors were already taking it up with the British Government. He hoped, therefore, that Sir Wilfrid Laurier was not "wedded" to any particular scheme. To which the Canadian Premier drily answered that he had no objection to the Newfoundland scheme being considered.

A question of policy, not for experts.

Naturally Mr. Lloyd George's reply was disconcerting to the representatives of Canada and New Zealand. "I do not think," protested Sir Wilfrid Laurier, "it is a question of experts in this matter, but a question of policy . . . there is no necessity for experts, it is a question of policy. Shall you or shall you not have such a service? That is a question for the Conference to decide." Nor, in their view, could a reduction of Suez Canal tolls be regarded as in any sense an alternative to the Canadian proposition, which was quite distinct; though they might

well accept both. The protest was backed by Sir Joseph Ward, who again pointed out that the way to ascertain the cost was to call for tenders on their own specifications. If they wished to know the comparative cost of services at various rates of speed they might, as Mr. Deakin suggested, call for alternative tenders on that basis.

To those who have read the account in this book of how the vested interests fought the Pacific cable, the significance of the British Government's proposed reference to "experts" will be sufficiently plain. "Experts" in plenty, representing the interests of the existing steamship lines, would be only too willing to give the welcome assurance that the project was utterly impracticable at anything short of a staggering figure. Mr. Lloyd George, indeed, intimated that he had already received expert opinions of this kind; though for the moment he was more concerned to pretend that he had only known of the project for about twelve hours. "It is really rushing us unfairly," he protested. But Sir Wilfrid Laurier would not let that pass. The truth was, as he compelled Mr. Lloyd George to admit, that the idea of just such a mail service had been "running in this Conference all through," and had been "conferred upon informally" for some three weeks past.

British Government's standpoint

From their own point of view the British Government felt, no doubt, that they had a strong case in asking for "inquiry," though not one which they could candidly explain. They may have been inclined, under stress of the Preference dilemma, to throw not more than, say, £250,000 a year into what they really regarded as useless projects of this kind, simply as the price of riddance. But they would naturally wish to get the fullest riddance for

their money; and we have seen how they were obsessed with the idea that "even-handed" largess was essential in such cases. So they would desire to make a "fair" apportionment of their dole among the several Colonies; a driblet to each of the five or six, instead of letting it all go into a Canada-Australasia undertaking. The Dominion statesmen, on the other hand, had allowed themselves to be deceived with the notion that the British Ministers were sincere about these "other methods" of commercial co-operation; "making roads across the Empire, not building walls," as Mr. Churchill had expressed it. They had been asked to believe, and they were trying to believe, that in this business British Ministers were as much in earnest as themselves. On that assumption what did it matter if, as Mr. Lloyd George apprehended, there might be a difference of £200,000 or £300,000 between 18 knots an hour and 22 or 24? What was that sum among the several countries directly interested, especially when Canada had pledged herself to contribute at least as much as any of the others, including Britain? If they really wanted to have an absolutely up-to-date mail service, one or two hundred thousands a year was not going to make the difference between having it and not having it. But in reality the speculation was within much narrower limits. The Colonial Ministers were used to dealing with mail contracts of this kind. The particular project before them was not by any means a new or novel one. Definite tenders had already been made for it on specifications sufficiently close to form a basis of intelligent conjecture as to what the improved scheme should cost. To decide what they wanted to have and then call for tenders was, therefore, as obviously the sensible course now as it had been when the Pacific cable project reached the same stage.

not that of the Dominions.

It was, as Sir Wilfrid Laurier and Sir Joseph Ward had said, a question of policy simply. Inquiry, they protested, could only mean unnecessary delay.

Resolution passed.

With such radical divergence of standpoint there was never any chance of practical results issuing; but the farce was kept up to the end. When Mr. Lloyd George talked about the possibility of "other routes" for an all-British mail service to Australasia, the others could only point out to him that in fact there was no other route. Finally the resolution was passed in an amended form, leaving out the reference to "China and Japan" (on which the Canadian Premier did not insist), and inserting the proviso "within reasonable cost," which would give the British Government all the pretext they wanted for indefinite procrastination.

Suez Canal dues.

In the course of the discussion Mr. Deakin made a suggestion in regard to relief from Suez Canal dues. The Governments of the Empire might arrange a scheme for refunding the whole or part of the dues on British shipping. But obviously this operation would be greatly facilitated if the shareholders of the Canal Company could first be induced to agree to a general reduction of tolls, affecting the shipping of all nationalities alike. Accordingly he called the attention of the President of the Board of Trade to the suggestion that the tolls should be levied on the basis of the cargo and passengers actually carried by the vessel, not on the basis of her carrying capacity whether full or empty, which was the existing arrangement. In this way vessels would effect a great saving in the slack season, enabling them to bear the tolls more easily in the busy season. The Governments of the Empire might then proceed to give British ships further relief by refunding the reduced tolls. But Mr. Lloyd George feared that the British Government, holding only about two-fifths

of the shares and not having a proportionate voice in the management, would be unable to secure assent to the preliminary and general reduction proposed. The only course open to them would be, therefore, to refund part of the rates on British ships—if, he should have said, they would ever dream of doing anything at all in the matter.

Cabinet Committee on All-Red proposition—British Liberals split.

The story of how the All-Red proposition gradually "fizzled out" may now be briefly narrated. Sir Henry Campbell-Bannerman appointed a Government committee, consisting of Messrs. Lloyd George, Sydney Buxton, Runciman, and Churchill, to examine the proposals with, as he said, "the aid of experts."[1] But the apparent disposition of the Government to countenance the project divided their heterogeneous following at once into hostile camps. The pathetic little band of "Liberal Imperialists," who keenly supported the project with the idea that it was a substitute for Preference, found themselves in a hopeless minority. In Parliament Mr. Harold Cox, the high priest of Free Trade, demanded assurances[2] that the Government would respect the findings of the Committee on Shipping Subsidies, and would remember the pledges of their party to "promote economy in public expenditure." Finally he asked "whether it was part of the policy of the Government to tax British and Irish farmers in order to enable competing Canadian produce to be carried across the Atlantic at less than commercial rates"—as though the Free Trade system itself were not much more heavily mulcting those same farmers in order that their oversea competitors might be relieved from paying toll for the privilege of entering the British market. Similarly the *Nation*[3] protested

[1] House of Commons, June 27, 1907.
[2] Quoted in R., pp. 392–93. [3] July 6, 1907.

against the principle of subsidising the carriage of freight or passengers, as distinguished from the carriage of mails, the one being a "private" and the other a "public" service. "Is not this," it asked, "a preference just as much as remission of an import duty paid on foreign produce?" Apart from the difficulty of deciding between the claims of various shipping companies, was not the principle out of the question for any one who had "grasped the elements of Free Trade"? That view of the matter was decisive.

A syndicate headed by Lord Strathcona, the millionaire High Commissioner for Canada, was said to have been formed for the purpose of taking up the scheme. Towards the end of July 1907 a report appeared in the ministerial press[1] to the effect that the Cabinet committee had already reached an adverse decision, mainly on the score of expense, and alleging the excuse that the previous Government had prejudiced the matter by agreeing to subsidise the Cunard Company for an improved service on the New York route.[2] Probably the report was substantially correct; but the Government hesitated to kill the proposal formally quite so soon. A Canadian Minister[3] said that the plan was to hold a special conference of the Governments in order to consider the question of subsidies, after the British Government had finished their inquiries. Meanwhile particulars of a definite scheme began to leak out. Rumour indicated a 24-knot service on both the Atlantic and the Pacific, which would cost £420,000 a year on the Atlantic and £400,000 on the Pacific. Canada, so the report went, was willing to contribute half the

A tentative scheme.

[1] *Westminster Gazette*, July 17, 1907.

[2] The *Lusitania* and *Mauretania* were at this time nearing completion.

[3] Mr. Brodeur, *Canadian Gazette*, July 25, 1907.

Atlantic subsidy, and expected the British Government to contribute the other half. But the difficulty of the Pacific section was that Australia was not sufficiently interested to assume a proportionate share of the £400,000, especially since she was on the point of signing a new contract for the mail service *viâ* the Suez Canal, at a subsidy of £170,000 a year.

Lord Grey, the Governor-General of Canada, played his usual part as a stalwart supporter of Canadian Imperial enterprise. For the British people to subsidise the longer American route instead of the shorter Canadian one was, in his view, as he told the people of Halifax, a "colossal Imperial blunder." At Westminster the Government, heckled by their free-trade supporters, still sought refuge in the existence of their committee, which they said was still examining the proposal.[1] In December (1907) Mr. Clifford Sifton, then Minister of the Interior in Sir Wilfrid Laurier's Government, came over unofficially in behalf of the scheme. He expounded it to the Liberal Imperialist group, who gave him and it a cordial welcome.[2] He confirmed the report that Canada was prepared to pay half of the Atlantic subsidy, together with a "substantial amount" towards the Pacific subsidy; but the Pacific proposition had now, it appears, reverted to an 18-knot basis. He again refuted some of the old objections; arguing from statistics, and with Lord Brassey's support, that the Canadian Atlantic route was no more dangerous on account of fogs and ice than the American one; and urging the Imperial advantages of having a safe route for food supplies in war, more fast ships for auxiliary cruisers, and a secure passage for military reinforcements to China and India. The proposed service would land the New

Sifton's mission to Britain.

[1] House of Commons, Aug. 1907 (15th to 22nd).

[2] *Times*, Dec. 4, 1907.

Zealand mails in twenty-five days. In the course of the discussion Mr. W. P. Reeves, then High Commissioner for New Zealand, described the notion that the Panama route might supersede the Canadian[1] as "one of the illusions fostered by maps on Mercator's projection"; while Captain Collins, in behalf of the Australian Government, recalled the proviso about "reasonable cost" in the Resolution passed by the Imperial Conference.

Ireland's scheme—mission to Ottawa.

Ireland's Imperial enthusiasm had been thoroughly aroused; one of the alternative proposals being that the Atlantic service should start from Blacksod Bay, a good harbour on the coast of Galway, whence it was estimated that the passage to Halifax would be only 3½ days. There was to be a train-ferry across St. George's Channel. The Government were induced to promise assistance for the necessary railway extension and harbour works on the Atlantic side. Mr. Birrell, Secretary of State for Ireland, waxed eloquent over the idea at the Dominion Day banquet.[2] In December 1907 a deputation of Irishmen, including representatives of the Parliamentary Party, visited Ottawa; and told Sir Wilfrid Laurier that any scheme side-tracking Ireland would not be allowed to pass the British Parliament. The Canadian Premier entertained them to luncheon; but explained[3] that the question was economic simply, not political or sentimental, and that the question of a port would have to be decided on purely economic grounds. Sir Thomas Shaughnessy, the President of the C.P.R.,[4] was

[1] The distance from Liverpool to Auckland *viâ* the Panama Canal would be about 11,300 miles as against about 12,300 *viâ* Halifax and Vancouver; but the Panama service would be all sea, therefore slower, especially through the 56 miles of canal, which also would be expensive.

[2] *Canadian Gazette*, July 11, 1907. [3] *Morning Post*, Dec. 9, 1907.

[4] *Ibid.*, Dec. 10. In conjunction with the Allan Line the C.P.R. was receiving £110,000 a year under a mail contract with the Dominion Government.

not so sympathetic to the Irishmen as he was subsequently when they came to ask for American and Canadian contributions to the Home Rule campaign fund. He politely scouted the idea of any such transhipment being practicable in connection with a fast passenger service, and pointed out how it would impede the provision of cheap passages for emigrants;[1] which was one of the Australasian aims in supporting the proposal. In general, Sir Thomas Shaughnessy regarded the All-Red scheme as commercially impossible in respect of the speed proposed; holding that the only sound policy was that of the existing companies, who were accelerating and improving the service gradually as the demand developed.

Opposition of vested interests.

It soon became manifest, indeed, that every existing shipping company on the proposed route was working against the scheme in any form under which any company other than itself might get the contract. The C.P.R., having control of the only transcontinental line of railway, was in an exceptionally strong position; but the Canadian Government seem to have felt that by the time the ships were ready they would be able to fall back on the new Grand Trunk Pacific,[2] which they were assisting, as a lever for securing satisfactory arrangements in connection with the through mail service. The "expert" opposition was not coming from the Atlantic shipping interests only. At the annual general meeting[3] of the P. & O. Company the chairman, Sir Thomas Sutherland, after bewailing the new competition of Japanese vessels in the cotton-carrying trade from India, described the All-Red proposition as "another nail in our coffin"; —though he went on to state, with good evidence,

[1] *Canadian Gazette*, June 11, 1908.

[2] At this time the Grand Trunk Pacific was intended to be completed in 1911.

[3] Dec. 10, 1907.

that the financial position of the Company had never been stronger. The proposed route was not, he objected, all British, because—though some of its advocates disputed this—it would be necessary for the ships to coal at Honolulu. He protested against the strategical arguments, declaring that in time of emergency his Company could easily transfer their mail steamers, if need be, to the Pacific route.

About this time (Dec. 1907) another mare's nest was discovered in a report that the Canadian Government, incensed at the heavy duties on agricultural machinery in the new Australian tariff, had refused to renew the contract of the old Canadian-Australian line, which had passed from Messrs. Huddart to the Union Steamship Company of New Zealand, and had been keeping up a four-weekly service at a slow speed, taking over three weeks for the voyage from Vancouver to Sydney. The subsidy had been about £66,000, of which Canada had contributed £37,000, Australia £26,000, and Fiji £2280. The truth was, it appears, that the Canadian Government wished to reconsider the matter in connection with the All-Red scheme; but in the course of 1908 the contract was temporarily renewed on the old basis.

Sifton explains the scheme.

In March 1908 Mr. Sifton explained to the Canadian House of Commons the part he had lately taken in the negotiations with the British Government. Much of the opposition, he stated, came from the underwriters, and was based on ideas of the dangers of the Canadian-Atlantic route which the actual statistics of fog and disaster showed to be greatly exaggerated. The subsidy required for a 24-knot weekly service on the Atlantic and a fortnightly service (apparently at 20 knots) on the Pacific would be £1,000,000 a year, which would be allocated as follows: Australia, £75,000; New Zealand,

£100,000; Canada, £325,000; and Britain, £500,000. New Zealand was favourable, but the others had yet to be heard from. He believed, from his interview with Mr. Lloyd George, that the British Government were only waiting for a "joint representation" from these Dominions in behalf of a "definite proposition" to take up the project in earnest. He hoped that the three transcontinental railroad companies of Canada (the Canadian-Pacific, Grand Trunk, and Canadian Northern) would combine to make the scheme a success, so that Canada might be "placed on a thoroughfare instead of remaining in a side street."

History repeating itself.

It will be observed how faithfully the resistance to the scheme was following the lines of the former resistance to the Pacific cable, of which the story has already been told. Besides the "expert" objections of very formidable vested interests, the British bureaucracy, whose traditional sympathies are with those interests and against the innovations of Imperial partnership, were again employing the old tactics of the vicious circle. In refusing to commit themselves until the Colonial Governments could jointly produce a "definite scheme" with a definite list of their respective contributions they were effectively blocking the way; since it was very difficult for the Dominions to apportion the expense among themselves until they knew how far Britain would be prepared to assist.

The Irish scheme again.

Another Irish deputation, including Sir Horace Plunkett, Mr. Walter Long, and Mr. Redmond, was introduced by Mr. Birrell to Mr. Churchill (now President of the Board of Trade) on June 22nd, in behalf of the Blacksod scheme.[1] Admitting that there had been a long delay, Mr. Churchill pleaded

[1] *Morning Post*, June 23, 1908.

that the matter was one of great complexity, involving "constant reference to Governments at the other end of the world." The committee, he intimated, had as yet come to no decision at all. From a commercial point of view he recognised the serious objections to making Ireland a link in the route; but (as if criticising Sir Wilfrid Laurier's contrary statement) this scheme was primarily a sentimental one and, he agreed, "the claims of Ireland to be included in any such scheme, from the point of view of sentiment, are very great indeed." Speaking for himself, his interest in the scheme would be greatly diminished if not entirely destroyed if Ireland were excluded from its scope; whereas if Ireland were included, "you would have, as it were, all the pearls on one thread." "It is quite possible," he concluded, "that our investigations will not come to any fruitful or practical result," but in any case "the Irish aspect will bulk very largely."

Laurier proposes inter-colonial negotiations.

In Canada Sir Wilfrid Laurier made an effort to meet the vicious-circle stipulation of the British Government. On July 9th he moved a resolution in Parliament, reciting the resolution of the Imperial Conference and continuing:

> "That it is desirable that steps should be taken with all convenient speed to achieve the results aimed at by the said resolution: that this house hereby endorse the terms of the said resolution and affirm that Canada is prepared to assume her fair share of the necessary financial obligations, and that in the opinion of this House the Governments of Australia, Canada, and New Zealand should, with as little delay as possible, agree upon a definite plan for carrying into effect the terms of the resolution of the Imperial Conference, to be submitted for consideration to the Imperial and Colonial Parliament."

His speech seemed to indicate a considerable descent from the ambitious scale of the original proposal. It might not be advisable, he suggested, to subsidise Atlantic steamers so large or fast as the new Cunarders, but rather a fleet of 20 to 21 knot boats. As to the Pacific, they were still "quite in the dark." With 21-knot boats on the Atlantic and 18-knot boats on the Pacific, the time to Auckland would be 26 days from Liverpool, and another three on to Sydney. But he thought that in order to satisfy Australia the Pacific service would have to be 20 knots. The Government were asking only for authority to negotiate, nothing more. So far New Zealand alone had made a definite offer—£100,000. He referred also to the China and Japan service from Vancouver, which he said was too slow. In this connection it may here be mentioned that the Canadian Pacific had obtained a renewal of its mail contract with the British Government at a reduction of 25 per cent. in the subsidy (£45,000 instead of £60,000). Questioned in the House,[1] the British Postmaster-General stated that the time to Shanghai was twenty days *viâ* Siberia, and twenty-seven to twenty-eight *viâ* Vancouver. In the summer of 1908 an interesting "race" took place, to test the value of different trans-American routes for the conveyance of silk to Europe. Leaving Yokohama on July 21st, the Canadian boat *Monteagle* reached Vancouver on August 4th, the Japanese *Tosa Maru* reached Seattle on the 6th, and the Pacific Mail Co.'s *China* reached San Francisco on the 7th. Thus the Canadian consignment was easily first at New York.[2]

The C.P.R. China service.

But in Canada, hitherto a unit in favour of the All-Red project, the question was now being

[1] July 24, 1907.
[2] *Canadian Gazette*, Aug. 27, 1908.

Canadian Conservatives oppose All-Red scheme.

made a party one.[1] Mr. Foster, the Conservative ex-Minister of Finance, chided the Government for having broken off the negotiations completed by their predecessors[2] in 1896 for a 20-knot Atlantic service at a subsidy of only £125,000 a year (*plus* £75,000 from Britain). New Zealand's offer in 1907, he pointed out, had been made conditionally upon the Pacific passage being reduced to 13 days. The Opposition leader, Mr. Borden, complained that the interests of the farmers had been overlooked. Cheaper freights and cold storage were nationally of greater importance than quicker transport of passengers and mails. Seeing that the speed on the Canadian-Atlantic route had already reached 18 knots, might they not expect it in due course to reach 20 or 21 by a natural development? Nor could Canada face these expenditures with the enormous bill, £38,000,000, for the national transcontinental railway (the Grand Trunk Pacific) coming on for payment. Accordingly he moved an amendment, expressing "sympathy with the aims of the resolution," but reciting the objections indicated and reserving to Parliament the right to sanction any contract that might be proposed. The amendment was defeated and the Government motion carried.

Renewed hostility of British Liberals.

On July 31st, Sir Joseph Ward suggested to his Parliament that New Zealand should be willing to pay £75,000 a year for an 18-knot Pacific line, as part of an all-red arrangement with Canada, Australia, and

[1] The Opposition seem to have been irritated by the somewhat bombastic manner in which Sir Wilfrid Laurier had referred to the project. For example, replying to an address of welcome on his return at Quebec (July 19, 1907), he is reported to have said: "During the last days of the Conference I announced the new idea, which has become almost historic, the All-Red Line." This, of course, was absurd; seeing that the Conservative Government had introduced the proposal at the Ottawa Conference of 1894, and had made considerable progress with it while their opportunity lasted.

[2] *Cf.* vol. i. p. 216.

Britain.[1] But these faint symptoms of a possibility that the scheme in a humble form might yet materialise revived the alarm of the British anti-Imperialists. In order to assuage their anxiety Mr. Asquith (now Prime Minister) stated that the committee was still sitting, and "if on examination any such scheme is found to be practicable, no arrangement would be binding until approved by the House of Commons."[2]

Canadian mission to Australasia.

In September the Canadian Government sent their Deputy Postmaster-General, Mr. Coulter, on a mission to Australia, where Mr. Deakin was still Prime Minister. Nothing more seems to have been heard until the following spring (1909). In April a report that the Commonwealth would "send a representative to attend the Conference which is to discuss the advisability of establishing an All-Red mail route" was at once met by the Colonial Office with a statement[3] that it had no knowledge of any such conference having been arranged. It believed that the Canadian envoy, having met with a discouraging reception in Australia, went on to New Zealand; but in any case "the Imperial Government is awaiting definite proposals from Canada, Australia, and New Zealand." To a suggestion that the matter might be brought before the Defence Conference which was summoned in that summer, Mr. Churchill replied that it would be outside the scope of the Conference, though "perhaps some opportunity for informal discussion" might occur.[4]

Death of the All-Red scheme.

The end was at hand. In October 1909 Sir Joseph Ward told an interviewer[5] that the original idea of obtaining a fast service on both sides of Canada had been "practically abandoned"; explaining that they had not overcome the old difficulty of

[1] July 30, 1908. [2] July 9, 30, 1908. [3] *Morning Post*, April 17, 1909.
[4] House of Commons, July 13, 1909. [5] Oct. 2, 1909.

Brisbane being a port of call on the Canada-Australia route, which precluded the inclusion of a New Zealand port. The remaining alternatives for New Zealand were, he said, either to subsidise a fast connection with Fiji, where the Canada-Australia ships would always call, or to arrange with Canada for them to come on from Sydney. So the vicious circle, long ago invented in Downing Street for strangling Imperial Partnership, had again proved an effective noose.

Meanwhile (in January 1909) the New Zealand Government had arranged a five-weekly service to and from Papeete (Tahiti), where a connection was effected by American boats with San Francisco. By this route the through journey to London from New Zealand took about 36 days.[1]

Growth of trade between Canada and Australasia.

During these years there were sufficient signs of expansion in the trade between Canada and Australasia to justify a considerable extension of cargo services. For some years past a bi-monthly service of "tramps" between Canada and New Zealand had been maintained, each Government contributing £10,000 in subsidy.[2] Several companies had turned their attention to the trade with Australia, the principal exchange being Australian coal for British-Columbian pine. Early in 1910 a regular monthly service was instituted by the C.P.R. and the New Zealand Shipping Company between Atlantic ports of Canada and Australia and New Zealand, *viâ* Teneriffe and the Cape, at a subsidy of £24,000, with a view to diverting some of the Australasian trade from New York. It was not thought that this service would seriously interfere with those on the Pacific, which would continue to handle the Australasian trade with the western part of Canada. Though the primary idea of the All-Red proposition had been that of a

[1] New Zealand P.-M.-G.'s Report, 1910, pp. vii–xx. [2] R., p. 575.

mail service only, the mail steamers would have been available for carrying cargo between Canada and Britain and between Canada and Australasia. This aspect was not ignored in the course of the ill-fated negotiations.

Canada-N.Z. new mail service.

Early in the present year (1911), with another session of the Imperial Conference approaching, there were signs of an attempt to revive the strangled scheme of 1907. At the instance of New Zealand and Newfoundland the "All-Red Route," now officially so termed, appeared again in the proposed agenda for the approaching session of the Conference. In February it was reported that an All-Red Route Syndicate was proposing to furnish a Pacific service of not less than 18 knots, using oil fuel—possibly in order to avert the necessity of coaling at the foreign port of Honolulu. Soon afterwards it was reported[1] that a contract had been concluded by Canada and New Zealand with the Union Steamship Company of New Zealand, under which the Company, abandoning the Vancouver - Brisbane - Sydney mail service at the expiration of its term, would establish instead a mail service between Vancouver and Auckland. The subsidy was stated to be £57,000 a year, and the new monthly service was to begin on August 1st. According to the report the Labour Government in Australia under Mr. Fisher could not consent to join in any arrangement by which the Canadian boats would come round and go back by New Zealand, because this would give the nearer Dominion an advantage in competition against Australia for the Canadian trade; especially as New Zealand, unlike Australia, had a reciprocal tariff arrangement with Canada. Recent attempts to arrange mutual preference between Australia and

[1] *Times*, March 2nd, 1911.

Canada and also between Australia and New Zealand had again failed. But a little later it was reported [1] that proposals were being considered for a 22-knot service between Australia and New Zealand, in order to reduce the passage to $2\frac{1}{4}$ days and to compete with the Lascar-manned boats of the P. & O. (to which the Labour Government have not minimised the Australasian objection).

Was affected by Canada-U.S.A. Reciprocity.

A matter of speculation was how the new proposals of reciprocity between Canada and the United States might affect the situation. If, as the Canadian Government had seemed to imply, the reduction or abolition of duties on natural products from the States would extend to importations from Australasia as well, the Australasian trade with Canada might be stimulated. On the other hand it was argued that the loss of the opportunity of preference for Imperial products of this class would be a severe blow to the prospects of Australasian competition against the United States in Canada.

Suez Canal dues—British Government apathetic.

The Suez Canal (reduction of dues) proposition shared the fate of the All-Red proposal; but the British Government were able to shelve it more quietly. In reply to a question asked on July 23rd, 1908, Colonel Seeley (Under-Secretary for the Colonies) admitted that representations had lately been received from the Commonwealth. But as for doing anything, "the matter was being considered by the Government and would not be overlooked." It was discussed fitfully in the press. The following editorial illustrates some aspects of it:

The Canal monopoly.

> "The annual report of the P. & O. Company enables us to get some idea of the extent to which the shipping companies are penalised by the Suez

[1] *Times*, March 8th, 1911.

> Canal Company in excessive dues. For the year ending September 1907 the P. & O. Company paid in canal dues on ships and passengers the sum of £333,000, 17s. 5d. This extortion can be seen in its true light when it is at the same time noted that for the year the item 'Pay of commanders, officers, and crews' is set down at £324,163, 18s. 9d. From these figures we see that for the privilege of passing through the Canal the company had in the course of a year to pay a larger sum than it paid to man its fleet from the captain's bridge to the stoke-hole. What these charges mean is further indicated by another set of figures published by the P. & O. Company. It appears that for the three years ended September 30th last the company's net postal subsidy amounted to £997,158. During the same years the company paid in canal dues £984,275. Consequently, were the Canal toll free, the company could afford to carry the mails for nothing. As we have pointed out in previous issues, 78 per cent. of the mercantile shipping, on the basis of net tonnage, passing through the Canal is British; nearly half the stock belongs to the nation, and a corresponding share of the huge dividends goes into the British exchequer. The Canal represents one of the worst monopolies in existence in the matter of the restriction of trade, and a demand for a limitation of the evil is wholly justifiable. (The *British Australasian*, Sept. 10, 1908.)

British shipowners' grievance.

In August 1910 the Australian Government, questioned in Parliament, undertook to take the subject up again with the British authorities at the next session of the Imperial Conference. Some interesting particulars were given by the *Morning Post*.[1] It seems that among British shipowners the belief prevails that in 1883 M. de Lesseps promised that when the Canal Company was able to declare a dividend of 18 per cent. half the surplus would be

[1] Oct. 18, 1910.

applied in reduction of tolls; and when the dividend reached 25 per cent. the whole of the surplus would be so applied, until the tolls were reduced to 5 francs per ton. But though the dividend now ranges between 25 and 30 per cent. the only reduction so far made is half a franc a ton, coming into force on January 1st, 1911; and the rate still remains at 7¼ francs. In British shipping circles, according to the same authority, it is felt that the British Government are playing a culpable part. The shares cost £3,976,582 when Lord Beaconsfield secured them for the country in 1875; the dividend thereon is now at the rate of well over £1,000,000 a year; and the difference between this income and 3 or 4 per cent. on the capital invested is regarded as a usurious exaction (at least in so far as British shipping is affected) which ought to be repaid in the form of a refund of tolls. It is alleged that while the Board of Trade is favourably disposed, the Treasury will not let go of the revenue; and the Foreign Office backs the Treasury for fear of offending France. In 1909 the total tonnage passing through the Canal was 15,407,500, to which the following companies were the largest contributors, five out of the nine being British: Peninsular and Oriental Co., 1,157,100 tons; Messrs. Holt & Co., 964,300; the Ellerman Lines, 954,000; the Hansa Line, 787,900; the Messageries Maritimes, 563,500; North German Lloyd, 542,900; Cayzer, Irvine & Co., 427,900; British India S.N. Co., 422,100; Hamburg-American Co., 404,800. These firms include five British, three German, and one French. For a long time the British shipowners were alone in agitating for a reduction of charges; but lately the German and Dutch shipowners have joined in. One difficulty is that the original concession of the Canal Company does not expire until 1968; and lately the

Egyptian assembly refused to sanction an immediate revision of the bargain, their idea being that the question ought to be held over in the interests of "Egypt for the Egyptians."

Imperial Development Fund necessary.

In such fashion had the British Government made good their professed eagerness to co-operate in "other ways" than that of reciprocal Preference for the promotion of trade within the Empire.[1] Surely the facts narrated in this chapter, following the history of the Pacific cable, point with sufficient emphasis to the necessity of some such plan as Mr. Deakin's scheme of a Development Fund and Commissioners if any substantial advance is to be made at any reasonable rate of progress towards the practical realisation of aims to which all the partner Governments have protested their devotion. The Pacific cable did, indeed, survive the travail and emerge into life. But the circumstances were exceptional. To begin with, since branch cables are practically as useful as trunk lines, the rivalry of routes—*e.g.* as between Australia and New Zealand—does not arise as in the case of steamship lines. Secondly, and perhaps even more important to the issue, the Pacific cable had the services of Sir Sandford Fleming, whose unflagging devotion and energy saved it at successive crises over a dozen years or more. Vested interests, formidable though they are where cables are concerned, are even more formidable because more various in connection with steamship projects. Apart from the rivalries of the shipping companies themselves, there is the rivalry of terminal ports. When the All-Red project was to the fore, Milford Haven, Plymouth,

[1] The appointment of British Trade Commissioners in the principal self-governing Dominions, in the interests of the British export trade, seems to represent the total of their achievement. *Cf.* Cd. 5273 (of 1910).

Southampton, and Bristol were all challenging the claims of Liverpool. In connection with any such projects there will always be two main classes of political difficulty, even assuming a genuine eagerness of all the Governments. First, there will be the opposition of commercial vested interests, and the competing claims of different companies or corporations for the profit in view. Secondly, there will be the demand of each participating democracy to be assured that, as compared with the other partners, it is getting proportionate value for the share of expense which it is asked to assume. To overcome either of these difficulties, and *a fortiori* to overcome them together, seems to be a task calling for a separate Imperial board, constituted for these purposes alone, like the Development Commissioners of Britain. And to overcome the second difficulty, the inter-State rivalry, there seems to be no expedient hitherto suggested so promising as that of a Development Fund on the British model. To get the partner nations to agree to create such a fund would surely be easier than to get them to agree in advance, by the hopeless method of the vicious circle, to unite for the purpose of any single scheme. Each has its pet scheme; and each might accept the device of a Development Fund as a promising speculation for getting its pet scheme carried out; the direct method being by this time a proved failure. Once the Fund were established, each would sooner see the money used, even if its own scheme were not the first to be taken in hand, rather than watch its contribution "rolling up" indefinitely. The safeguard suggested by Mr. Deakin, that every scheme prepared by the Commissioners should be submitted for approval to each of the Parliaments debited with a contribution thereto, would surely be ample.

Only, in this matter as in that of the Secretariat, Mr. Deakin seems to have prejudiced his proposal by suggesting more than was really necessary for a first step. He suggested a certain standard of contribution to the Fund, *viz.* the equivalent of so much per cent. on the value of foreign imports. Perhaps it would have sufficed, for a beginning, to propose that each country should fix its own quota; since the reservation of a power of veto or revision to each partner in respect of any particular project seems to do away with much of the obvious reason for having a standard or uniform basis of contribution.

Deakin's proposal too ambitious.

Yet, if sooner or later there would have to be a standard basis, the one proposed by Mr. Deakin, following Mr. Hofmeyr, seems at least as practical as any other. To the extent that foreign imports include foreign luxuries it recognises what has elsewhere been described in this work as the distinction between "earned" and "unearned" revenues, and the principle of equality of sacrifice. If, again, the Hofmeyr standard taxes too heavily any partner who has an abnormally large proportion of foreign imports, as compared with Imperial imports, the remedy lies in that partner's own hands, *i.e.* by taking measures to alter the preponderance of foreign over Imperial imports. In this way the Hofmeyr basis for the Imperial Development Fund would fit in with and reinforce the system of Imperial Reciprocity. But there is a further connection between the two policies. The motive to co-operation in the improvement of maritime communications is seen largely to depend for its vigour upon the adoption of the general principle of mutual preference, of which the most popular and palpable expression is tariff reciprocity. Whereas the members of the Imperial Conference, lacking fiscal reciprocity, failed to arrange the All-

Development Fund and reciprocity.

Red mail service, an agreement to facilitate railway communications by means of a joint Commission was the natural corollary to the recent agreement of fiscal reciprocity between Canada and the United States. New Zealand, again, having an arrangement of mutual preference with Canada, had a motive for promoting the All-Red service which Australia, lacking a similar reciprocal arrangement, did not feel. Manifestly, therefore, Imperial projects for improving the maritime communications of the Empire are by nature subsidiary to the policy of Imperial reciprocity; instead of having an independent basis or being in any sense a substitute.

APPENDICES

APPENDIX J

PREFERENCES ENACTED, 1902–1907

[For previous history of the British Preference in Canada, *cf.* App. H to vol. i.]

The following is quoted from the Board of Trade's Summary, in Papers laid before the Conference in 1907, Cd. 3524, pp. 319–323. Exhaustive figures are given in these Papers.

Canada.

"1. In view of the refusal of Germany to accord 'most-favoured-nation' treatment to Canadian products, German goods have from April 17th, 1903, been subjected to a surtax of one-third of the general rate of duty.

South Africa.

"2. The South African Colonies, forming the South African Customs Union, first granted preferential treatment to United Kingdom goods, under the Customs Union Convention of 1903, which came into force on August 15th of that year. The preference was extended to Canadian goods on July 1st, 1904.

"The preference accorded under that Convention to United Kingdom and Canadian goods was revised from May 1906, by the superseding Convention of that year, and a few months later both Australian and New Zealand products were admitted to the benefits of the preference.

New Zealand.

"3. The New Zealand Government, under the 'Preferential and Reciprocal Trade Act' of 1903—which came into force on November 16th of that year—granted preference to certain goods, the growth, produce, or manufacture of some part of the British dominions, by imposing additional rates of duty on similar goods produced in foreign countries, the duties on British goods remaining unchanged.

"On January 1st, 1907, the Government entered into a reciprocal agreement with the South African Colonies, and

granted a preference to all South African products except spirits.

"A proposed reciprocal agreement between New Zealand and Australia was not ratified by the former Government, as, according to a report issued thereon on October 2nd, 1906, the advantages accruing to New Zealand from the agreement would be outweighed by the sacrifices involved.

Australia. "4. A Resolution was proposed in the Commonwealth Parliament on the 30th August 1906, with the object of according preferential treatment to United Kingdom goods, and a Bill subsequently passed for this purpose was eventually reserved by the Governor-General for the signification of His Majesty's pleasure, in consequence of the condition which it incorporated, that the goods should be imported in 'British ships manned by white labour,' being inconsistent with treaties by which some or all of the Australian Colonies were bound.

"A Resolution to extend reciprocal treatment to certain New Zealand products, in accordance with an agreement between the New Zealand and Australian Governments, was also introduced into the Commonwealth Parliament on the same date (August 30th, 1906), but the agreement was not ratified by the New Zealand Government (see above).

"The Australian Commonwealth, on 1st October 1906, extended preferential treatment to certain South African products, reciprocal privileges being granted at the same time to Australian products on importation into South Africa.

Inter-Imperial differentiation. "5. . . . Preferential treatment is at present accorded to United Kingdom goods in the Dominion of Canada, South Africa, and New Zealand, but such goods do not enjoy in Australia or New Zealand the benefit of the preference accorded by the Colonies to South Africa. The preference proposed by the Australian Commonwealth Government to United Kingdom products has not as yet been brought into force.

Comparison of Preferences. "The Canadian and South African preferential rates are applicable to practically all dutiable goods imported, whereas in New Zealand the preference accorded to United Kingdom products is confined to certain classes of goods only.

"6. Speaking generally, the rate of preference allowed in Canada varies from 2½ per cent. to 15 per cent. *ad valorem*, with an average of about 10 per cent. *ad valorem* in favour of British goods; in South Africa it is equivalent to about 3 per cent. *ad valorem*, and in New Zealand from 10 per cent. to 20 per cent. *ad valorem* on the classes of goods to which preference is accorded.

"7. It is found, however, after making allowance for the preference, that the actual rates of duty leviable on the principal classes of British goods are, on the whole, higher in Canada than they are in New Zealand, and much higher than they are in South Africa. . . .

Peculiar conditions in Canada.

"8. The total trade of Canada with all countries is much greater than that of South Africa, New Zealand, or Australia, but partly owing to the proximity of the United States, the proportion of the imports from the United Kingdom into the Dominion of Canada is considerably less than it is in the case of the other Colonies, and the actual value of these imports is less than the imports from the United Kingdom into either Australia or South Africa.

"The imports from the United Kingdom into Canada amounted to about 24 per cent.; into both South Africa and New Zealand 62 per cent.; and into Australia 63 per cent. of the total value of imports into those Colonies during the year 1905. . . .

Varying area of Preference.

"9. Some idea may be formed of the respective values of the preference granted to British goods if we ascertain the proportion of goods that actually received the benefits of the preferential tariffs. . . . According to the latest returns it is found that 66 per cent. of the imports into Canada from the United Kingdom were accorded preferential rates of duty, whilst in New Zealand such imports amounted to 20 per cent. Of the total imports from all quarters 19 per cent. were accorded preference in Canada, and 16 per cent. in New Zealand. . . .

"Complete returns for South Africa for 1905 are not yet available; but taking the Cape returns for that year as forming a fair estimate of South African trade, we find that 84 per cent. of the imports into Cape Colony from the United Kingdom were of that class of articles which would have

been affected by the preferential treatment of British goods, had the present Customs Union Convention been then in force. . . . Preference is at present confined to goods the produce of the United Kingdom, Canada, Australia, and New Zealand, and it is found that the imports into Cape Colony from these countries of a class entitled to preferential treatment amounted to about 61 per cent. of the total imports into that Colony in 1905. . . .

"Turning to the Australian Commonwealth, it may be stated that if the proposal to accord preferential treatment to United Kingdom goods had been in force in 1905, about 8 per cent. (or somewhat less had the proviso respecting importation in British ships also been in force) of the imports of United Kingdom products (or a little over 4 per cent. of the total imports from all countries) would have received the benefits of the preferential tariff that year.

Effects of Preference on trade.

"10. . . . Preference is not yet accorded to British goods by Australia, while as regards South Africa and New Zealand it is of so recent a date that its effect upon trade cannot satisfactorily be measured. As regards Canada[1] it appears . . . that prior to the grant of preference to British goods exclusively in 1898, the relative proportion of the total imports into Canada from the United Kingdom had for many years continuously declined. Since the grant of preference that decline has been checked.

"11. Summarising the general results of the operation of the preferences accorded, it would appear that preferential treatment was granted to goods of United Kingdom or Colonial manufacture to the extent of 11 millions sterling in Canada, 2 millions in New Zealand, and about 11 millions in Cape Colony in 1905."

Amounts of duty remitted.

The Board of Trade goes on to estimate that preference meant in Canada a rebate of £780,000 a year in customs duty on the British imports affected, and a rebate of about £300,000 in Cape Colony (not the S.A.C.U.). It estimated that the New Zealand preference meant an addition of £64,000 to the duties levied on foreign goods for the purpose of preference, and that under the abortive Australian proposal the corresponding amount would be £90,000. It

[1] *Cf.* the Canadian official view, vol. i. p. 356.

seems, however, that for the purpose of intercolonial comparison the additional burdens thus imposed on foreign goods in the Australasian Colonies should be translated into terms of rebate granted on the British goods, which, without the preference, might have had to pay the higher rates of duty under a revised general tariff. From the particulars given in these Papers it would appear that, on the Canadian and South African basis, the Australian rebate would have been about £150,000 and the New Zealand rebate about £193,000.

APPENDIX K

RESOLUTIONS OF THE IMPERIAL CONFERENCE

Arranged according to Subject and Session

Note.—*All the Resolutions were passed unanimously except where otherwise stated.*

POLITICAL RELATIONS

"That in the business of this Conference the voting shall be by Colonies." 1894. Conference —voting.

"That the Chairman be requested to forward the resolutions and proceedings of this Conference to the Right Honourable the Secretary of State for the Colonies, and to the Premiers of the Colonies represented; and to take such steps as may be necessary for calling continued attention thereto." Conference —duties of Chairman.

"That if the words 'Australasian Colonies' be used in any motions or amendments that may be brought before this Conference they shall mean the Colonies of Australasia and the Colony of New Zealand." Conference —meaning of "Australasia."

"1. The Prime Ministers here assembled are of opinion that the present political relations between the United 1897.

Existing relations satisfactory.

Kingdom and the self-governing Colonies are generally satisfactory under the existing condition of things.

[*Mr. Seddon* (*N.Z.*) *and Sir Edward Braddon* (*Tas.*) *dissented.*]

Local federation.

"2. They are also of opinion that it is desirable, whenever and wherever practicable, to group together under a federal union those colonies which are geographically united.

Periodical conferences.

"3. Meanwhile, the Premiers are of opinion that it would be desirable to hold periodical conferences of representatives of the Colonies and Great Britain for the discussion of matters of common interest."

1902. Conference —constitution and period.

"That it would be to the advantage of the Empire if Conferences were held, as far as practicable, at intervals not exceeding four years, at which questions of common interest affecting the relations of the Mother Country and His Majesty's Dominions over the seas could be discussed and considered as between the Secretary of State for the Colonies and the Prime Ministers of the self-governing Colonies. The Secretary of State for the Colonies is requested to arrange for such Conferences after communication with the Prime Ministers of the respective Colonies. In case of any emergency arising upon which a special Conference may have been deemed necessary, the next ordinary Conference to be held not sooner than three years thereafter."

1907. Conference —constitution and period.

"That it will be to the advantage of the Empire if a Conference, to be called the Imperial Conference, is held every four years, at which questions of common interest may be discussed and considered as between His Majesty's Government and His Governments of the self-governing Dominions beyond the seas. The Prime Minister of the United Kingdom will be *ex-officio* President, and the Prime Ministers of the self-governing Dominions *ex-officio* members of the Conference. The Secretary of State for the Colonies will be an *ex-officio* member of the Conference and will take the chair in the absence of the President. He will arrange for such Imperial Conferences after com-

munication with the Prime Ministers of the respective Dominions. Such other Ministers as the respective Governments may appoint will also be members of the Conference —it being understood that, except by special permission of the Conference, each discussion will be conducted by not more than two representatives from each Government, and that each Government will have only one vote. Additional Ministers and voting.

"That it is desirable to establish a system by which the several Governments represented shall be kept informed during the periods between the Conferences in regard to matters which have been or may be subjects for discussion, by means of a permanent secretarial staff, charged, under the direction of the Secretary of State for the Colonies, with the duty of obtaining information for the use of the Conference, of attending to its resolutions, and of conducting correspondence on matters relating to its affairs. Secretariat.

"That upon matters of importance requiring consultation between two or more Governments which cannot conveniently be postponed until the next Conference, or involving subjects of a minor character or such as call for detailed consideration, subsidiary Conferences should be held between representatives of the Governments concerned specially chosen for the purpose." (*No. I. of* 1907.) Subsidiary Conferences.

TREATIES

(Cf. *under Trade Relations*, infra.)

"That so far as may be consistent with the confidential negotiations of Treaties with Foreign Powers, the views of the Colonies affected should be obtained in order that they may be in a better position to give adhesion to such Treaties." 1902. Communication prior to Treaties.

"That the Imperial Government be requested to prepare, for the information of Colonial Governments, statements showing the privileges conferred and the obligations imposed on the Colonies by existing commercial treaties, and that inquiries be instituted to ascertain how far it is possible to make those obligations and benefits uniform throughout the Empire." (*No. XI. of* 1907.) 1907. Treaty obligations.

TRADE RELATIONS

1894. Treaty obstacles to Preferential Trade.

"That provision should be made by Imperial legislation enabling the dependencies of the Empire to enter into agreements of commercial reciprocity including power of making differential tariffs, with Great Britain or with one another."

"That this Conference is of opinion that any provisions in existing treaties between Great Britain and any foreign Power which prevent the self-governing dependencies of the Empire from entering into agreements of commercial reciprocity with each other or with Great Britain should be removed."

Preferential Trade.

"Whereas the stability and progress of the British Empire can be best assured by drawing continually closer the bands that unite the Colonies with the Mother Country, and by the continuous growth of a practical sympathy and co-operation in all that pertains to the common welfare;

"And whereas this co-operation and unity can in no way be more effectually promoted than by the cultivation and extension of the mutual and profitable interchange of their products;

"Therefore resolved: * That this Conference records its belief in the advisability of a customs arrangement between Great Britain and her Colonies by which trade within the Empire may be placed on a more favourable footing than that which is carried on with foreign countries.

(* *This section carried with N.S.W., Q., and N.Z. dissenting.*)

Inter-colonial Reciprocity.

"Further resolved: That until the Mother Country can see her way to enter into customs arrangements with her Colonies it is desirable that, when empowered so to do, the Colonies of Great Britain, or such of them as may be disposed to accede to this view, take steps to place each other's products in whole or in part on a more favoured customs basis than is accorded to the like products of foreign countries.

S. African Customs Union.

"Further resolved: That for the purposes of this resolution the South African Customs Union be considered

as part of the territory capable of being brought within the scope of the contemplated trade arrangements."

1897.

Treaty obstacles to Preference.

"1. That the Premiers of the self-governing Colonies unanimously and earnestly recommend the denunciation, at the earliest convenient time, of any treaties which now hamper the commercial relations between Great Britain and her Colonies.

Unilateral Preference.

"2. That in the hope of improving the trade relations between the mother country and the Colonies, the Premiers present undertake to confer with their colleagues with the view to seeing whether such a result can be properly secured by a preference given by the Colonies to the products of the United Kingdom."

1902.

Preferential Trade.

"1. That this Conference recognises that the principle of preferential trade between the United Kingdom and His Majesty's Dominions beyond the seas would stimulate and facilitate mutual commercial intercourse, and would, by promoting the development of the resources and industries of the several parts, strengthen the Empire.

Free Trade impracticable.

"2. That this Conference recognises that, in the present circumstances of the Colonies, it is not practicable to adopt a general system of Free Trade as between the Mother Country and the British Dominions beyond the seas.

Unilateral Preference.

"3. That with a view, however, to promoting the increase of trade within the Empire, it is desirable that those Colonies which have not already adopted such a policy should, as far as their circumstances permit, give substantial preferential treatment to the products and manufacturers of the United Kingdom.

Imperial Reciprocity.

"4. That the Prime Ministers of the Colonies respectfully urge on His Majesty's Government the expediency of granting in the United Kingdom preferential treatment to the products and manufactures of the Colonies, either by exemption from or reduction of duties now or hereafter imposed.

"5. That the Prime Ministers present at the Confer-

ence undertake to submit to their respective Governments at the earliest opportunity the principle of the resolution and to request them to take such measures as may be necessary to give effect to it."

Government contracts.

"That in all Government contracts, whether in the case of the Colonial or the Imperial Governments, it is desirable that, as far as practicable, the products of the Empire should be preferred to the products of foreign countries. With a view to promoting this result it is suggested that where such contracts cannot be filled in the country in which the supplies are required, the fullest practicable notice of the requirements and of the conditions of tender should be given both in the Colonies and the United Kingdom and that this notice should be communicated through official channels as well as through the Press."

Coastwise trade.

"That it is desirable that the attention of the Governments of the Colonies and the United Kingdom should be called to the present state of the navigation laws in the Empire, and in other countries, and to the advisability of refusing the privileges of coastwise trade including trade between the Mother Country and its Colonies and Possessions, and between one Colony or Possession and another, to countries in which the corresponding trade is confined to ships of their own nationality and also to the laws affecting shipping, with a view of seeing whether any other steps should be taken to promote Imperial trade in British vessels."

Metric system.

"That it is advisable to adopt the metric system of weights and measures for use within the Empire, and the Prime Ministers urge the Governments represented at this Conference to give consideration to the question of its early adoption."

1907. Reaffirmation of 1902 Resolution.

The following Resolutions of the Conference of 1902 *were reaffirmed by the Members of the Conference, with the exception of His Majesty's Government, who was unable to give its assent,*

so far as the United Kingdom was concerned, to a reaffirmation of the Resolutions in so far as they imply that it is necessary or expedient to alter the fiscal system of the United Kingdom.

(Here follows the 5-section Resolution of 1902, already quoted.) (*No. VI. of* 1907.)

Preference under existing British duties.

The following Resolution was agreed to by the members of the Conference, with the exception of Sir Wilfrid Laurier, who was absent, and whose vote was not recorded, of General Botha, who did not support it, and of the representatives of His Majesty's Government, who dissented.

"That while affirming the Resolution of 1902, this Conference is of opinion that, as the British Government, through the South African Customs Union—which comprises Basutoland and the Bechuanaland Protectorate—do at present allow a preference against foreign countries to the United Kingdom, Canada, Australia, New Zealand, and all other British Possessions granting reciprocity, His Majesty's Government should now take into consideration the possibility of granting a like preference to all portions of the Empire on the present dutiable articles in the British tariff." (*No. IX. of* 1907.)

Preferential trade and treaty questions.

"That all doubts should be removed as to the right of the self-governing Dependencies to make reciprocal and preferential fiscal agreements with each other and with the United Kingdom, and further, that such right should not be fettered by Imperial treaties or conventions without their concurrence." (*No. XII. of* 1907.)

Fiscal autonomy.

"That, without prejudice to the Resolutions already accepted or the reservation of His Majesty's Government, this Conference, recognising the importance of promoting greater freedom and fuller development of commercial intercourse within the Empire, believes that these objects may be best secured by leaving to each part of the Empire liberty of action in selecting the most suitable means for attaining them, having regard to its own special conditions

and requirements, and that every effort should be made to bring about co-operation in matters of mutual interest." (*No. VII. of* 1907.)

Coastwise trade.

The following Resolution was agreed to by the members of the Conference, with the exception of His Majesty's Government, who dissented, in respect of the inclusion of the words dealing with trade between the Mother Country and the Colonies.

"That the Resolution of the Conference of 1902, which was in the following terms, be reaffirmed."

(Here follows the Resolution of 1902, already quoted.) (*No. X. of* 1907.)

Trade and British shipping.

"That it is advisable, in the interests both of the United Kingdom and His Majesty's Dominions beyond the seas, that efforts in favour of British manufactured goods and British shipping should be supported as far as is practicable." (*No. VIII. of* 1907.)

Uniformity of statistics.

"That it is desirable, so far as circumstances permit, to secure greater uniformity in the trade statistics of the Empire, and that the note prepared on this subject by the Imperial Government be commended to the consideration of the various Governments represented at this Conference." (*No. XIV. of* 1907.)

FINANCE

1897. Investment of Trust Funds.

"Those assembled are of the opinion that the time has arrived when all restriction which prevents investments of trust funds in Colonial stock should be removed."

TELEGRAPHIC COMMUNICATIONS

(*For Quasi-Resolutions of* 1887 cf. *vol. i. p.* 105.)

1894. Pacific and Cape cable.

"(1) That, in the opinion of this Conference, immediate steps should be taken to provide telegraphic communications by cable, free from foreign control, between the Dominion of Canada and Australasia.

"(2) That the Imperial Government be respectfully requested to undertake at the earliest possible moment, and to prosecute with all possible speed, a thorough survey of the proposed cable route between Canada and Australia; the expense to be borne in equal proportions by Great Britain, Canada, and the Australasian Colonies.

"(3) That it is for the interest of the Empire that, in case of the construction of a cable between Canada and Australasia, such cable should be extended from Australasia to the Cape of Good Hope; and that, for that purpose, arrangements should be made between the Imperial and South African Governments for a survey of the latter route.

"(4) That in view of the desirability of having a choice of routes for a cable connection between Canada and Australasia, the Home Government be requested to take immediate steps to secure neutral landing-ground on some one of the Hawaiian Islands, in order that the cable may remain permanently under British control.

"(5) That the Canadian Government be requested, after the rising of the Conference, to make all necessary inquiries, and generally to take such steps as may be expedient, in order to ascertain the cost of the proposed Pacific cable, and promote the establishment of the undertaking in accordance with the views expressed in this Conference."

1902. State purchase of cables.

"That it is desirable that in future agreements as to cable communications a clause should, wherever practicable, be inserted reserving to the Government or Governments concerned the right of purchasing on equitable terms, and after due notice, all or any of the cables to which the agreements relate."

1907. Alternative routes. Cable agreements.

"1. That in the opinion of this Conference the provision of alternative routes of cable communication is desirable; but in deciding upon such routes, the question of the strategic advantage should receive the fullest consideration.

"2. That landing licences should not operate for a longer period than twenty years, and that when subsidies are agreed to be paid, they should be arranged on the 'standard

revenue' principle—*i.e.* half the receipts after a fixed gross revenue has been earned to be utilised for the extinguishment of the subsidy and, by agreement, for the reduction of rates." (*No. XVIII. of* 1907.)

STEAMSHIP COMMUNICATIONS

1894. Canada-Australia.

"(1) That this Conference expresses its cordial approval of the successful efforts put forth by Canada and New South Wales for the establishment of a regular monthly steamship service between Vancouver and Sydney. And affirms the advisability of reasonable co-operation of all the Colonies interested in securing the improvement and permanence of the same;

Canada-Britain.

"(2) That the Conference learns with interest of the steps now being taken by Canada to secure a first-class fast mail and passenger service with all the modern appliances for the steerage and carrying of perishable goods across the Atlantic and Pacific to Great Britain and the large subsidy which she has offered to procure its establishment;

All-Red route.

"(3) That it regards such an uninterrupted through line of swift and superior communication between Australasia and Great Britain as is above contemplated as of paramount importance to the development of Intercolonial trade and communication, and to the unity and stability of the Empire as a whole;

"(4) That as the Imperial Post Office contributes towards the cost of the mail service between England and Australia, *viâ* Brindisi or Naples, the sum of £95,000 per annum, while the sea postage amounts only to £3000; and to the mail service between Vancouver and Japan and China £45,000, less £7300 charged against the Admiralty; this Conference deems it but reasonable to respectfully ask that assistance be given by the Imperial Government to the proposed fast Atlantic and Pacific Service; more particularly as the British Post Office, whilst paying the large subsidy of £104,231 a year to the line from Liverpool to New York, has so far rendered no assistance in the maintenance of a direct postal line between Great Britain and Canada."

"That it is desirable that, in view of the great extension of foreign subsidies to shipping, the position of the mail services between different parts of the Empire should be reviewed by the respective Governments. In all new contracts provisions should be inserted to prevent excessive freight charges, or any preference in favour of foreigners, and to ensure that such of the steamers as may be suitable shall be at the service of His Majesty's Government in war time as cruisers or transports." 1902. Mail services and shipping subsidies.

"That in the opinion of this Conference the interests of the Empire demand that in so far as practicable its different portions should be connected by the best possible means of mail communication, travel, and transportation:

"That to this end it is advisable that Great Britain should be connected with Canada, and through Canada with Australia and New Zealand, by the best service available within reasonable cost:

"That for the purpose of carrying the above project into effect such financial support as may be necessary should be contributed by Great Britain, Canada, Australia, and New Zealand in equitable proportions." (*No. XX. of* 1907.) 1907. All-Red route.

POSTAGE

"That it is advisable to adopt the principle of cheap postage between the different parts of the British Empire on all newspapers and periodicals published therein, and the Prime Ministers desire to draw the attention of His Majesty's Government to the question of a reduction in the outgoing rate. They consider that each Government should be allowed to determine the amount to which it may reduce such rate, and the time for such reduction going into effect." 1902. Postage rates.

"That in view of the social and political advantages and the material commercial advantages to accrue from a system of international penny postage, this Conference recommends to His Majesty's Government the advisability, if and when a suitable opportunity occurs, of approaching the Governments 1907. Universal Penny Postage.

of other States, members of the Universal Postal Union, in order to obtain further reductions of postage rates, with a view to a more general, and, if possible, a universal, adoption of the penny rate." (*No. XVII. of* 1907.)

DEFENCE

1897. Australasian Naval Agreement.

"That the statement of the First Lord of the Admiralty with reference to the Australian squadron is most satisfactory, and the Premiers of Australasia favour the continuance of the Australian squadron under the terms of the existing agreement."

1902. Commissions in Navy and Army.

"That the Prime Ministers of the self-governing Colonies suggest that the question of the allotment of the Naval and Military Cadets to the Dominions beyond the seas be taken into consideration by the Naval and Military Authorities, with a view to increasing the number of commissions to be offered; that, consistent with ensuring suitable candidates, as far as practicable, greater facilities than now obtain should be given to enable young Colonists to enter the Navy and the Army."

1907. Committee of Imperial Defence.

"That the Colonies be authorised to refer to the Committee of Imperial Defence, through the Secretary of State, for advice on any local questions in regard to which expert assistance is deemed desirable.

"That whenever so desired, a representative of the Colony which may wish for advice should be summoned to attend as a member of the Committee during the discussion of the questions raised." (*No. II. of* 1907.)

Imperial General Staff.

"That this Conference welcomes and cordially approves the exposition of general principles embodied in the statement of the Secretary of State for War, and, without wishing to commit any of the Governments represented, recognises and affirms the need of developing for the service of the Empire a General Staff, selected from the forces of the Empire as a whole, which shall study military science in

all its branches, shall collect and disseminate to the various Governments military information and intelligence, shall undertake the preparation of schemes of defence on a common principle, and, without in the least interfering in questions connected with command and administration, shall, at the request of the respective Governments, advise as to the training, education, and war organisation of the military forces of the Crown in every part of the Empire." (*No. III. of* 1907.)

MIGRATION

1907. Encouragement of emigration to British territory.

"That it is desirable to encourage British emigrants to proceed to British Colonies rather than foreign countries.

"That the Imperial Government be requested to co-operate with any Colonies desiring immigrants in assisting suitable persons to emigrate." (*No. IV. of* 1907.)

UNIFORMITY OF LAW

1894. Bankruptcy Law.

"That this Conference desires to call the continued attention of their respective Governments to the proceedings of the Colonial Conference of 1887 in regard to the Bankruptcy and Winding up of Companies with a view to completing the necessary legislation upon the question therein raised."

1902. Patents.

"That it would tend to the encouragement of inventions if some system for the mutual protection of patents in the various parts of the Empire could be devised. That the Secretary of State be asked to enter into communication with the several Governments in the first instance and invite their suggestions to this end."

Patents.

"That it is desirable that His Majesty's Government, after full consultation with the self-governing Dominions, should endeavour to provide for such uniformity as may be practicable in the granting and protection of trade marks and patents." (*No. XIII. of* 1907.)

1907. Company Law. "That it is desirable, so far as circumstances permit, to secure greater uniformity in the company laws of the Empire, and that the memorandum and analysis prepared on this subject by the Imperial Government be commended to the consideration of the various Governments represented at this Conference." (*No. XV. of* 1907.)

Naturalisation. "That with a view to attain uniformity so far as practicable, an inquiry should be held to consider further the question of naturalisation, and in particular to consider how far and under what conditions naturalisation in one part of His Majesty's dominions should be effective in other parts of those dominions, a subsidiary Conference to be held if necessary under the terms of the Resolution adopted by this Conference on 20th April last." (*No. XIX. of* 1907.)

RECIPROCITY IN PROFESSIONS

1902. Professional employment in South Africa. "That in arranging for the administration of the Transvaal and the Orange River Colony it is desirable that provision should be made that duly qualified members of the learned and skilled professions now admitted and hereafter to be admitted to practise in the self-governing Colonies be allowed to practise within the newly-acquired territories on condition of reciprocal treatment in the Colonies concerned."

1907. Reciprocity in admission of Land Surveyors to practise. "That it is desirable that reciprocity should be established between the respective Governments and examining authorities throughout the Empire with regard to the examination and authorisation of land surveyors, and that the memorandum of the Surveyors Institute on this subject be commended for the favourable consideration of the respective Governments." (*No. XVI. of* 1907.)

JUDICIAL

1907. Imperial Court of Appeal. "The Conference agreed to the following finding :—

"The Resolution of the Commonwealth of Australia, 'That it is desirable to establish an Imperial Court of Appeal,' was submitted and fully discussed.

"The Resolution submitted by the Government of Cape Colony was accepted, amended as follows:—

"'This Conference, recognising the importance to all parts of the Empire of the appellate jurisdiction of His Majesty the King in Council, desires to place upon record its opinion— Privy Council—codification of rules.

"'(1) That in the interests of His Majesty's subjects beyond the seas it is expedient that the practice and procedure of the Right Honourable the Lords of the Judicial Committee of the Privy Council be definitely laid down in the form of a code of rules and regulations.

"'(2) That in the codification of the rules regard should be had to the necessity for the removal of anachronisms and anomalies, the possibility of the curtailment of expense, and the desirability of the establishment of courses of procedure which would minimise delays.

"'(3) That, with a view to the extension of uniform rights of appeal to all Colonial subjects of His Majesty, the various Orders in Council, instructions to Governors, charters of justice, ordinances, and proclamations upon the subject of the appellate jurisdiction of the Sovereign, should be taken into consideration for the purpose of determining the desirability of equalising the conditions which gave rights of appeal to His Majesty. Privy Council—uniformity.

"'(4) That much uncertainty, expense, and delay would be avoided if some portion of His Majesty's prerogative to grant special leave to appeal in cases where there exists no right of appeal were exercised under definite rules and restrictions.'

"The following Resolutions, presented to the Conference by General Botha and supported by the representatives of Cape Colony and Natal, were accepted:—

"'(1) That when a Court of Appeal has been established for any group of Colonies geographically connected, whether federated or not, to which appeals lie from the decisions of the Supreme Courts of such Colonies, it shall be competent for the Legislature of each such Colony to abolish any existing right of appeal from its Supreme Court to the Judicial Committee of the Privy Council. Privy Council—limitation of appeal.

"'(2) That the decisions of such Court of Appeal shall be final, but leave to appeal from such decisions may be granted

by the said Court in certain cases prescribed by the statute under which it is established.

"'(3) That the right of any person to apply to the Judicial Committee of the Privy Council for leave to appeal to it from the decision of such Appeal Court shall not be curtailed.'" (*No. V. of* 1907.)

APPENDIX M

INTER-IMPERIAL MAIL SERVICES

THE following tables are the result of an attempt to discover, from such official publications as are accessible in London, the amount spent by the Empire out of public revenues on the ocean mail and transportation services between the various parts. Unfortunately there is no single office charged with the duty of preparing information of this kind; while the publications of the various Governments lack uniformity, and are not supplementary to each other. Thus the elementary information sought cannot be obtained with any probability of completeness or accuracy. The British figures are extracted from Appendix D of the Postmaster-General's report, a document calculated to aggravate the mystery surrounding the subject. Even so simple a point as the amount paid for the carriage of mails between Britain and Australia cannot be ascertained from the available papers. Another difficulty is that in the official list of steamship subventions paid by Canada the recognised mail services are not distinguished from the purely commercial services which it has long been the policy of the Dominion to subsidise as well; while for the other Dominions there are no accessible records of similar subventions, though it is believed that such are paid. The conclusion from the accompanying tables, so far as they go, seems to be that for mail services proper the Empire spends little more than £1,000,000 a year, or about 4d. per head of the European population; which seems a very small amount in proportion to the importance of having frequent, regular, rapid and cheap means of communication between the different parts.

BRITAIN

	Payments in 1910.
Britain–Bermuda (*viâ* New York)	£ 805
,, Honduras	1,048
,, West Indies [1]	17,148
,, Newfoundland	2,000
,, Falkland Islands (£2,500 by F.I.)	32,000
,, W. Africa (£4,600 by W. A. Colonies)	20,291
,, St. Helena and Ascension	5,070
,, Aden and Zanzibar	8,500
,, India, China, and Australia (£77,188 by India and Crown Colonies)	305,000
,, New Zealand	3,857
,, China (*viâ* Canada: £25,000 by Canada)	45,000
	£440,719

CANADA

	1909.
Canada – Britain	$565,000
,, Australia (Vancouver–Sydney)	173,566
,, Japan and China	73,000
,, W. Indies and British Guiana	65,700
	$877,266
	Say £180,000

Other Subventions

Canada – Britain (various ports)	$111,250
,, Newfoundland	26,860
,, Jamaica	13,800
,, Japan and China (additional)	48,302
,, S. Africa	146,000
,, New Zealand	47,720
	$393,932
	Say £80,000

[1] The two subsidised mail services were in abeyance. That with the R.M.S.P. Co. to Barbados, &c., has been renewed at £63,000 a year, the W.I. Colonies contributing £25,000. That with the Elder-Dempster Co. to Jamaica at £40,000, Jamaica contributing £20,000, has not been renewed. The British Postmaster-General's Report omits two other West Indian items paid by Britain, *viz.* £12,500, being half the subsidy (£25,000) for the inter-island service, the West Indies paying the other half; and £13,500, being the other half of the Canada-British Guiana subsidy (£27,000), Canada paying a similar amount.

AUSTRALIA

	Appropriation for 1910–11.
Australia – Britain (*viâ* Suez)	£144,700
„ Canada (Sydney–Vancouver)	26,860
	£171,560

NEW ZEALAND

	1909.
New Zealand – Britain (*viâ* Australia)	£18,000
„ Australia	15,000
„ San Francisco (*viâ* Tahiti)	7,000
	£40,000

SOUTH AFRICA

	1909.
S. Africa – Britain	£135,000
(Contract with Union Castle Co. renewed in 1910 for two years at £150,000.)	

SUMMARY

United Kingdom (less contributions)	£331,431
Canada (+ £25,000 per U.K.)	205,000
Australia	171,560
New Zealand	40,000
S. Africa	135,000
Newfoundland	?
India, &c. (per U.K.)	77,188
W. Africa and Falkland I. (per U.K.)	7,100
Fiji (towards Sydney-Vancouver service)	2,280
	£969,559
(+ about £50,000 for new West Indies contract, and £15,000 for new S. African contract)	65,000
Approximate total for Empire	£1,034,559

APPENDIX N

IMPERIAL EVOLUTION

FIG. I.
COLONIAL DEPENDENCE:
"OUR COLONIES."

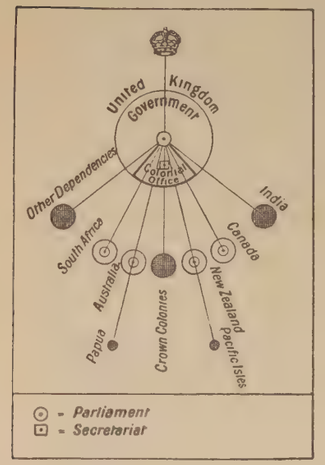


FIG. II.
IMPERIAL PARTNERSHIP:
"FIVE FREE NATIONS."

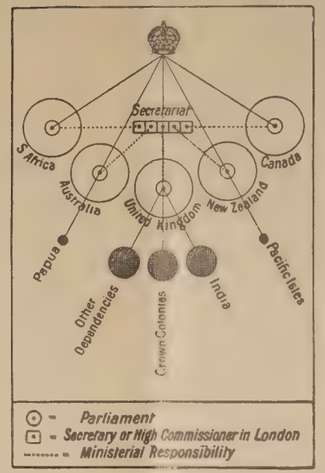


FIG. III.
IMPERIAL FEDERATION:
"WITH SUBJECT DEPENDENCIES."

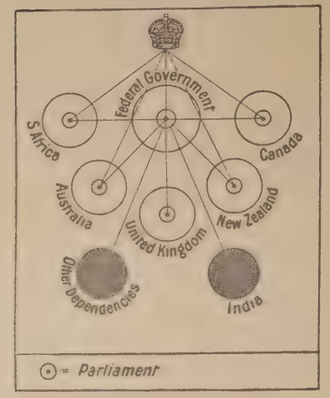
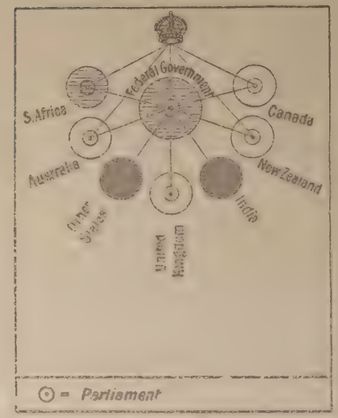


FIG. IV.
IMPERIAL FEDERATION:
"THE MILLENNIUM."



Reproduced by permission from "The Morning Post," July 4, 1907.

These diagrams are intended to illustrate a certain view of the evolution of the Empire, with special reference to the important discussion which is reviewed in Chapter XI. of this book. The discs denote Governments. Where there is a Parliament this is denoted by an inner circle forming the pivot of the Government. The straight lines represent the bonds of constitutional authority. Black shading denotes a coloured population; half-shading a mixed population. The comparison intended is not in respect of area or population, but simply in respect of constitutional status; certain Governments being superior or inferior to others. All Governments in the same plane of authority are represented by equal discs in the same arc; the only exception being Papua (or British New Guinea), which is governed by Australia, and certain islets in the Pacific which have been annexed by New Zealand. These have not such full-fledged administrations as the great dependencies ruled by Britain; but they have been inserted by way of calling attention to the fact that Britain is not the only self-governing State, among those represented in the Imperial Conference, which exercises a paternal despotism over subject countries. Newfoundland must be understood to be included in Canada.

To face p. 390.

INDEX

A

Admiralty, functions of, ii. 152
New policy, 1907, ii. 153
Advisory Council—
Canadian attitude, ii. 17–19
different from Conference, i. 323; ii. 9, 10, 318
Lord Elgin's objections, ii. 103
Mr. Chamberlain's proposal, i. 322, 334, 342, 354, 366
Mr. Deakin's, ii. 61, 102–103
Mr. Lyttelton's, ii. 11–14
Newfoundland, ii. 20
refused, i. 342
Sir Frederick Pollock's proposal, ii. 8–10, 23–24
Sir J. Ward's, ii. 55, 104
Sir W. Laurier's objections, ii. 103
Afrikander Bond, i. 62 (*note*)
Aliens Act, British, ii. 307
All-Red Route, i. 99–105, 195, 371; ii. 339
Australia and, 1907, ii. 342
British Government and, 1907, ii. 344, 346, 358
Canada and, i. 105
Canada and, 1907, ii. 358
Canada, New Zealand service, 1911, ii. 361
Canada, U.S.A. Reciprocity and, 1911, ii. 362
Canadian-Australian mail service, i. 142, 214; ii. 361
Canadian mission to Australia, 1907, ii. 359
Cape interests, i. 221
Conference of 1894 and, i. 212
C.P.R. China service, ii. 357
Death of scheme, ii. 359
All-Red Route—*continued*
Developments since 1907, ii. 360–365
Government Committee on, ii. 349
Ireland and, 1907, ii. 352, 355
Lord Jersey and, i. 222, 227
Mr. Clifford Sifton and, 1907, ii. 351, 354
Newfoundland's scheme, 1907, ii. 345
New Zealand and, 1907, ii. 342
Ottawa Board of Trade and, i. 391–396
Resolution, 1907, ii. 348
Resolutions of 1894 Conference, i. 224, 225
Resolutions *re*, 1894, ii. 382
Resolutions, App. K.
Sir Wilfrid Laurier's 1907 motion, ii. 339, 356
South Africa and, 1907, ii. 344
Tentative scheme, 1907, ii. 350, 354
Vested interests and, ii. 353
Anti-militarism, French-Canadian, ii. 148
Appeal—
Resolution *re* limitation of, 1907, ii. 387
Resolution *re* Privy Council, 1907, ii. 387
Resolutions *re* rules of Privy Council, ii. 387
Appeal, Court of—
Canada and, ii. 300
Commonwealth Act, 1900, ii. 295
Compromise resolution, 1907, ii. 304
Conference of 1902 and, i. 371

Appeal, Court of—*continued*
Conference of 1907 and, ii. 290, 305
Legal diversities, ii. 299
Lord Loreburn on, 1907, ii. 301
Mr. Chamberlain's 1900 proposals, ii. 297
New Zealand and, ii. 301
Privy Council, ii. 291
Resolution *re* Imperial, 1907, ii. 384
Royal Prerogative, ii. 293
South African Act, 1909, ii. 295
Arbitration, Sir Edward Grey and U.S.A., i. xxx–xl
Army. *See* Defence
Asiatic exclusion and defence, ii. 57
Asquith, Mr.—
and Colonial Ministers, 1907, ii. 184
on Preference, 1907, ii. 222–233
on theory of incidence, 1907, ii. 202
Australasia, Federal Council of, i. 6
Australasian Commonwealth, advent of, i. 6
Australasian communication with Europe, i. 212
Australasian Governments and Pacific Cable, i. 144
Australia—
and All-Red Route, 1907, ii. 342
and Imperial defence, 1907, ii. 141
and Preference, ii. 197. *See also* Preference, ii. 239
and proposed Imperial Council, ii. 20
British trade with, ii. 245
Emigration resolution, 1907, ii. 280
Local navy, ii. 166
Resolution for 1907 Conference, ii. 28–30
Reunion of tariff, ii. 206
Australian auxiliary squadron, i. 36, 46
Australian mail contract, i. 95
Australian naval agreement, 1902 Conference and, i. 375
Australian Preference Bill, Lascars, ii. 222
Australian Press Agency, i. 270. *See also* Pacific Cable

B

Bahamas, State-ownership of cable, i. 195
Bankruptcy, law of, i. 108, 230
Barristers, reciprocity as to, i. 372; ii. 316
Bell, Sir Dillon, i. 4, 39, 78–80, 93, 104, 110, 120
Boer War, i. 349
Bond, Sir Robert, ii. 2, 21, 74, 162, 181, 272, 345
Botha, General—
at 1907 Conference, ii. 84–86
on Preference, ii. 217
Bowell, Mr. Mackenzie, i. 147, 167
British Cotton-growing Association, i. 300
British Empire League of Canada, ii. 49
Brodrick, Mr., on military defence, i. 362
Burns, Mr. John, on emigration, 1907, ii. 285

C

Cable—
American Atlantic combine, i. 280
Associated Companies, statement of finances, i. 389
Atlantic, i. 273, 279
Britain and Pacific, i. 100
Canada and All-Red Route, i. 105
Colonial Office and telegraph companies, i. 383–389
Committee suggested, i. 265
1902 Conference and, i. 371
1907 Conference and, i. 289
Departmental Committee on, i. 264
"Free trade in," i. 264

Cable—*continued*
India and, i. 102
Mansion House meeting, i. 273
New Zealand and, i. 104
Opposition to Pacific, i. 100
Ottawa Board of Trade and, i. 391–396
"Penny a word" telegrams, i. 274
rates, i. 272
rates for "urgent," "deferred," "press" messages, i. 276
Resolution *re* agreements, ii. 381
Resolution *re* alternative routes, ii. 381
Resolution *re* Pacific and Cape, 1894, ii. 380, 381
Resolution *re* State purchase of, 1907, 381
South Australia and, i. 102
State ownership and progress, i. 284
Strategical advantage of All-British, i. 282
Table showing reduction in rates since 1890, i. 396
Trade question and, i. 106
Trust, i. 101
See also Pacific Cable
Cadetships—
1902 Conference and naval and military, i. 366
Naval, 1907, ii. 166
Naval and Military, i. 325
Naval, for Australia, i. 37
Campbell, Sir Alexander—
at 1887 Conference, i. 25
on Canadian defence, i. 55–57
Campbell-Bannerman, Sir Henry, opens 1907 Conference, ii. 76–78
Canada—
American influence on, ii. 175
and emigration, ii. 287
and Imperial defence, 1907, ii. 141
and 1902 Reciprocity resolution, i. 368
Anti-Imperialists, ii. 48
Attendance of Premier at 1897 Conference, ii. 49
Canada—*continued*
British Preference in, i. 399
Cattle embargo, ii. 258
Conservatives and All-Red Route, 1907, ii. 358
Imperialists, ii. 49
Intermediate tariff, ii. 47
Japanese treaty, 1906, ii. 47
"National Policy" of union, i. 7
Negotiations with Spain, i. 379
No Preference offer, 1907, ii. 255
Peculiar condition *re* Preference, ii. 371
Surtax on German goods, 1903, ii. 369
Canadian-Australian mail service—
initiated, i. 142
change of owners, ii. 354
abandoned, ii. 361
Canadian Pacific Railway, completion of, i. 7
"Capital" resolution, ii. 101, 115
Cattle embargo—
1902 Conference, i. 373
Sir Wilfrid Laurier on, ii. 258
Census, i. 125
Chamber of Commerce, Congress of, 1896, i. 310
Chamberlain, Mr. Joseph—
and Egypt, i. 303
and Jameson raid, i. 302
and South Africa, i. 301
Conversation with Mr. Arnold Forster, i. 398
Crisis, 1897–1902, i. 339
Estimate of his work, 1897–1902, i. 272 *et seq.*
Foreign and Colonial Speeches, i. 289
Imperialism, i. 290-292
Navy and the Colonies, i. 324
offers Advisory Council, i. 342
on Asiatic immigration, i. 327
on British working classes and empire, i. 296
on Canadian reciprocity and annexation, i. 192
on commercial relations, i. 325
on commercial union, i. 310

Chamberlain, Mr. Joseph—*contd.*
on federation, i. 293
on German and Belgian treaties, i. 326
on German Empire, i. 306, 308
on Lord Ripon's despatch, i. 308
on new markets, i. 315
on Pacific Cable, i. 250, 327
on State and private enterprise, i. 253
opens 1897 Conference, i. 321
opens 1902 Conference, i. 352–357
Presidential address, i. 340
Tariff Reform policy, ii. 4
Chinese labour, Australia and, ii. 61
Churchill, Mr. Winston, on Preference, 1907, ii. 241-245
Coastwise trade—
i. 374; ii. 275–280
Mr. Lloyd George on, ii. 278
Resolution *re*, 1902, ii. 378
Resolution *re*, 1907, ii. 380
U.S.A. and, ii. 276
Cobden, Mr., Preference philosophy, i. xxvii
Coinage—
Australia and profit on, ii. 312
local mints, ii. 313
Colonial Defence Committee, i. 23 (*note*), 325
Colonial Governors—
Power of dissolution, i. 122–124
Powers of, i. 119–124
Prerogative of pardon, i. 119–122
Colonial Office—
and Eastern Extension and Eastern Telegraph Companies, i. 383-389
and Imperial organisation, ii. 73
and Secretariat, ii. 119
Australian resolution for 1907 Conference, ii. 29
Liberal Government and, ii. 26
Mr. Deakin on, i. 27 ; ii. 119, 130
Reform of, discussed, ii. 128
Colonial stocks, i. 110–111
Colonisation, South African, i. 124
Committee of Imperial Defence, ii. 150
Commonwealth, Australasian, advent of, i. 6
Australian, i. 343
Australian, instituted, 1901, i. 258
Company law, ii. 314, 385
Conference (*see* Imperial Conference)—
Education Conference, ii. 66
Navigation Conference, ii. 65
Subsidiary. *See* Imperial Conference.
Constitutional Evolution, diagrams, ii. 94–100
Contracts, Government, resolution *re*, 1902, ii. 378
Copyright—
1907 Conference and, ii. 315
Law of, at 1894 Conference, i. 230
Corn duty abolished, 1903, ii. 44, 45
C.P.R. China service, ii. 357

D

Deakin, Mr.—
and Development Fund, ii. 321, 332, 333, 367
and Imperial organisation, ii. 69–73
at 1887 Conference, i. 26
Colonial office, i. 27 ; ii. 119, 130
Development Fund resolution, ii. 323
on Colonial contributions for defence, i. 38
on 1907 Conference, ii. 80–82
on Mr. Churchill, 1907, ii. 259–263
on Preference, i. 75 ; ii. 81
on Preference, 1907, ii. 189–198
on retaliation, ii. 195
on Secretariat, ii. 116
Party hatred of, ii. 186
Resolutions for 1907 Conference, ii. 61
Decimal notation, i. 372; ii. 313, 314

Defence—
Admiral Tryon and Australian, i. 23, 36
Admiralty's functions, ii. 152
Admiralty's policy, 1907, ii. 153
Agreement for Australian, i. 44
and Asiatic exclusion, ii. 57
and Preference, ii. 178
Australasian agreement, i. 360
Australia and, ii. 143
Australian auxiliary squadron proposed, i. 36, 46
Australian demand for definition of basis of contribution, i. 57
Australian local navy, ii. 166
Australian resolutions for 1907 Conference, ii. 29–30
Basis of contribution for, i. 30–77
Britain's needs, ii. 164
British proposal of subsidy, i. 37, 39
Canada and, i. 54; ii. 141, 159
Colonial "contribution in kind," ii. 156
Colonial contribution to naval, i. 360
Colonial Defence Committee, i. 23, 333
Colonial expenditure on, i. 22
Committee of Imperial, ii. 150
Conditions of service abroad, i. 31
Division of responsibilities for, i. 21
Dr. Smartt's resolution, 1907, ii. 170
Expeditionary forces, ii. 145
First and second lines of, ii. 137
French-Canadian anti-militarism, ii. 148
General Botha on, ii. 164
Imperial Federation, i. 33
Imperial General Staff, ii. 138
Imperial reserve military force, i. 362
Inspection of Colonial troops, i. 31
Lord George Hamilton and subsidy proposals, i. 37
Lord Selborne on naval, i. 358
Defence—*continued*
Lord Tweedmouth on, ii. 151
Military precedence, i. 30
Mr. Brodrick on military, i. 362
Mr. Deakin on Colonial contributions for, i. 38
Mr. Haldane's military plan, ii. 136
Mr. Haldane's "three great principles," ii. 139
Mr. Hofmeyr on South African, i. 60
Natal and, ii. 163
Naval and Military cadetships, i. 325
Naval, at 1887 Conference, i. 30
Naval cadetships, ii. 166
Naval cadetships for Australia, i. 37
Naval, strategical requirements for, i. 32
Newfoundland and, i. 57; ii. 162
New Zealand and, ii. 144
New Zealand and co-operation, ii. 168
Population basis of contribution accepted at 1887 Conference, i. 35
Reserve of officers, ii. 140
Resolution *re* army and navy commissions, 1902, ii. 384
Resolution *re* Australasian naval agreement, 1897, ii. 384
Resolutions *re* Committee of Imperial, 1907, ii. 384
Resolutions *re* Imperial General Staff, 1907, ii. 384
Royal Commission on, 1897, i. 21
"Royal" Naval Volunteers, ii. 161
Sir Alexander Campbell on Canadian, i. 55–57
Sir Alexander Shea on Atlantic Cable, i. 57
Sir Dillon Bell on New Zealand and, i. 39
Sir Henry Holland on Colonial contribution for, i. 41

Defence—*continued*
Sir John Downe on Colonial contributions for, i. 38, 41
Sir Joseph Ward on, ii. 146
Sir Saul Samuel on, i. 35
South Africa and, ii. 144, 169
South African Colonies and, i. 57
South African naval, ii. 161
Standard of contribution, ii. 177
Submarines, ii. 157
Thursday Island, i. 47–51
Territorial army, ii. 138
Torres Straits, i. 47–51
Two-Power standard, ii. 137
Development Fund—
and Reciprocity, ii. 367
Contributions compared, ii. 327
Dr. Jameson and, ii. 332
Mr. Deakin and, ii. 321, 332, 333, 367
Mr. Deakin's resolution, ii. 323
Mr. Hofmeyr's proposal, ii. 321
Mr. Lloyd George and, ii. 328, 329, 333–335
Necessity of, ii. 365
Ottawa's Act, ii. 338
Purposes of, ii. 325
Sir Joseph Ward and, ii. 331
Sir Robert Bond and, i. 332
Sir Wilfrid Laurier and, ii. 330
"Development Fund Act, 1909," ii. 336
Diagrams, Constitutional Evolution, ii. 94–100
Dividends, unclaimed, i. 112
Double taxation, i. 113; ii. 309
Downer, Sir John, i. 38, 123
Duty, amount of, remitted under Preference, ii. 372

E

Eastern Telegraph Extension Company, i. 23
Economic bond, examples of, i. xxv
Education Conference, 1907, ii. 66
Egeria, H.M.S.—
and Pacific Cable, i. 140
Mystery of instructions, i. 155
Elgin, Lord, ii. 23, 34
Emigrants' Information Office, i. 124; ii. 240
Emigration—
Australian resolution, 1907, ii. 280
Canada and, 1907, i. 124; ii. 287
Information Office, ii. 282
Mr. John Burns, 1907, ii. 285
New Zealand and, 1907, ii. 284
South Africa and, 1907, ii. 284
English market, scope of, ii. 198
Expeditionary forces, ii. 145. *See* Defence

F

Federal Council of Australasia, i. 6
Federation—
Imperial, and defence, i. 33
Imperial League, i. 305; ii. 70
Local resolution, 1897, ii. 374
Fielding, Mr., i. 189
Fiji invited to 1894 Conference, i. 156
contributes to mail service, i. 215; ii. 390
Finance, resolution *re* investment of trust funds, 1907, ii. 380
Fiscal autonomy, resolution *re*, 1907, ii. 379
Fitzherbert, Sir Wm., i. 4, 74, 79, 89, 93, 120
Fleming, Sir Sandford, i. 7
and mail subsidies, i. 97
and Pacific Cable, i. 134, 195
Earl Grey on, i. 133
on nationalisation of Canadian telegraphs, i. 270
Food, price of, and Preference, ii. 199–202
"Forbidden List," ii. 7
Foreign affairs—
Australian annexation of Papua, i. 116
See Pacific Islands, Newfoundland, New Hebrides, Japan treaty

Forster, Mr. Arnold, conversation with Mr. Chamberlain, i. 398
Foster, Mr.—
on Preference, i. 174–181
on Reciprocity, i. 190
French-Canadians, i. 290; ii. 15, 148, 174

G

Galt, Sir Alexander, i. 7
German Empire, Mr. Chamberlain on, i. 306, 308
Gladstone, Viscount, and naturalisation, 1907, ii. 305–307
Goschen, Mr., on contributions to navy, i. 330
Granville, Earl, speech at 1887 Conference, i. 25
Grey, Earl, i. 133; ii. 351
Griffith, Sir Samuel, i. 16, 63, 64, 81, 117, 121, 127

H

Haldane, Mr., ii. 136. *See also* Defence, Mr. Haldane's military plan
Hamilton, Lord George, i. 37
Hamiltonian doctrine, i. xiv
Hawaii and Pacific Cable, i. 197
Heaton, Mr. Henniker, i. 23, 272
High Commissioners—
and Secretariat, ii. 127
Evolution of office, ii. 127
for South Africa, ii. 112
Holland, Sir Henry—
Letter to "Colonial Representatives," 1887, i. 11
on Colonial contributions for defence, i. 41
Presidential address at 1887 Conference, i. 20, 128
Hofmeyr, Mr.—
and Zollverein, i. 71, 182
Development Fund proposal, ii. 321
on South African defence, i. 60

I

Immigration—
Asiatic, i. 6
"education test," i. 328
Coloured, and 1897 Conference, i. 335
Mr. Chamberlain on Asiatic, i. 327
New Zealand and Asiatic, ii. 55
Imperial Conference—
Agenda, i. 11, 160–163, 343; ii. 25, 41
Autonomy of Conference, i. 347; ii. 36
Constitution, i. 10–13, 163, 319–321, 345–347; ii. 15, 19, 33–40, 75–76, 79–80, 107–115, 218
Continuity, i. 160, 209–212, 230, 320; ii. 12–14, 43, 101, 115–132
Period and season, ii. 106–107, 133–134
Presidency, i. 11, 17, 161; ii. 64, 76, 82, 109
Procedure by resolution, i. 76, 105–106, 163, 187, 194; ii. 150
Procedure "in committee," ii. 85–86
Procedure, "third readings," ii. 150
Publicity, i. 14–15, 164, 319, 348; ii. 81, 86–93
Representation of India, i. viii, 11; ii. 11, 17 (*note*), 106
Secretariat, i. 209–212; ii. 115–130, 132, 197, 314, 315
Subsidiary Conferences, ii. 67, 71, 81, 83, 112–115, 315
Imperial Council. *See* Advisory Council
Imperial Department of Agriculture for West Indian Colonies, i. 300
Imperial Federation League, i. 7, 305; ii. 70
India—
Representation of, ii. 106
Sir James Mackay on Preference, ii. 219
Intercolonial Convention (Sydney, 1883), i. 6
Ireland and All-Red Route, 1907, ii. 352, 355

J

Jameson, Dr.—
and Development Fund, ii. 332
and double Income-tax, ii. 309
on Preference, 1907, ii. 214
on Secretariat, ii. 123
on South African Union, ii. 83
Jameson Raid, i. 302
Japan—
Alliance, ii. 56
Treaty with, mooted, 1897, i. 335
Treaty with Canada, 1906, ii. 47
Jennings, Sir Patrick, i. 25
Jersey, Earl of—
and All-Red Route, i. 222, 227
at 1894 Conference, i. 157
Report on 1894 Conference, i. 231, 232

K

Kimber, Sir Henry, i. 124
Kruger, President, i. 7

L

Land surveyors, reciprocity as to, ii. 318
Lascars, ii. 222
Laurier, Sir Wilfrid—
and All-Red Route, 1907, ii. 339, 356
and Development Fund, ii. 330
and Imperial Council, ii. 17, 51
and Preference, ii. 51
on autonomy, i. 372
on cattle embargo, i. 258
on 1907 Conference, ii. 79, 80
on Preference, 1907, ii. 250–259
on Secretariat, ii. 121
Law, uniformity of, i. 108; ii. 299
Legal diversities, ii. 299
Liberal Government—
and All-Red Route, 1907, ii. 344, 346, 358
and Colonial Office, ii. 24
Liberal-Unionism and Imperialist creed, i. 340
Lloyd George, Mr.—
and Development Fund, ii. 328, 329, 333–335
on Preference, ii. 233–241
Loreburn, Lord, on Court of Appeal, 1907, ii. 301
Lubbock, Sir Neville, on sugar bounties, i. 83
Lyne, Sir William, on Preference, 1907, ii. 245–248
Lyttelton, Mr.—
Despatch, 1905, ii. 10–14
Imperial Council proposed, ii. 11

M

Macdonald, Sir John, i. 7, 304
Macdonald, Sir John, on Preference, i. 74 (*note*)
Mackay, Sir James, on Preference and India, ii. 219
M'Ilwraith, Sir Thomas, Premier of Queensland, i. 6
Mails—
Canadian-Australian service, i. 142, 214; ii. 254, 361
Canada-New Zealand service, 1911, ii. 361
Mail services—
Tables showing expenditure on Imperial, i. 214; ii. 388–390
Mail subsidies—
Australian contract, i. 95; ii. 351
Canadian Pacific Railway and, i. 97, 98
Newfoundland and, i. 96
See under All-Red Route
Marriage law, i. 112, 113
Merchant shipping, i. 109; ii. 65
Metric system, ii. 36, 378
Migration—
Asiatic, i. 328; ii. 280
Information office, i. 124
Resolution *re*, ii. 385
South African colonisation, i. 124
Ministerial responsibility and Secretariat, ii. 121
Mints, local, ii. 313

Multi-lingualism established at 1907 Conference, ii. 84
Mundella, Mr., on trade marks, i. 114

N

Natal and defence, ii. 163
Nationalism—
and sovereignty, i. xvi
Colonial, i. xiii
Territorial, i. xvi
Naturalisation—
British Aliens Act, ii. 307
Canada and, ii. 308
1902, i. 372
1907 Conference and, ii. 305, 309
Draft Bill, 1907, ii. 305
New Zealand and, ii. 309
Resolution *re*, 1907, ii. 386
South Africa and, ii. 308
Subsidiary Conference on, ii. 113
Viscount Gladstone and, 1907, ii. 305–309
Navigation Conference, 1907, ii. 65
Navy—
and Colonies, i. 324
Contributions to, i. 330
Naval reserve, i. 331
See Defence
Necker Island, question of annexation, i. 151
New Caledonia, cable scheme, i. 146
Newfoundland—
All-Red Route scheme, 1907, ii. 345
and defence, ii. 162
and Imperial Council, ii. 20
fisheries at 1907 Conference, ii. 272–274
New Hebrides Convention at 1907 Conference, ii. 267–272
New Zealand—
and All-Red Route, 1907, ii. 342
and cable rates, i. 201
and emigration, 1907, ii. 284
and Imperial defence, 1907, ii. 144
Preference enactments, 1903, 1907, ii. 369

O

Organisation, Imperial, Mr. Deakin and, ii. 69–73
Ottawa, 1894 Conference at, i. 133
Ottawa, Board of Trade of—
and All-Red Route, i. 391–396
and cable, i. 391–396
and Pacific Cable, i. 145

P

Pacific Cable, i. 99–107
Admiralty and, i. 149
American line opened, i. 264
and 1894 Conference, i. 133
at 1897 Conference, i. 247, 336
Australia and, i. 266–268
Australian Press Agency, i. 270
Board created, 1899, i. 251
British Post Office and, i. 149
Canada and, i. 139
Canadian Government appointed Secretariat, i. 210
Canadian mission to Australia, 1893, i. 147
Cape-Australia extension, resolution passed at 1894 Conference, i. 206
Colonial Office and, i. 139
completed 1902, i. 262
Deed of Imperial partnership, i. 258
Duplication of, i. 246
Egeria's instructions, i. 140, 142, 155, 194
Example of State ownership, i. 195
Expropriation clause, i. 261
Finance of, i. 269
Financial basis of, i. 207
Financial prospects of, i. 260
Hawaiian proposal, i. 197
H.M.S. *Egeria* and, i. 140
Imperial Committee and, i. 244, 246
Imperial Committee's report, i. 249
Imperial partnership without Great Britain, i. 206

Pacific Cable—*continued*
Liberal Government and, i. 145
Mr. Chamberlain on, i. 250, 327
Mr. Fleming on, i. 195
Mr. Fleming's alternative schemes, i. 195
Mr. Fleming's experiments, i. 246
Mr. Playford and, i. 199
Mr. Suttor on, i. 194
Necker Island, i. 151
Neutrality of, i. 150
New Caledonia scheme, i. 146
New Zealand, and i. 157
New Zealand, and rates, i. 201
Ottawa Board of Trade and, i. 145
Procedure at 1894 Conference, i. 194
Proposed, i. 99
rates reduced, i. 263
Reduction of gross rates, i. 269
Resolution as to route, 1894, i. 212
Resolution of 1894 Conference, i. 203
Sir John Pender and, i. 134
Sir Sandford Fleming and, i. 134
South Australia and, i. 198
stations, i. 150
Strategical value of, i. 200
survey, i. 204, 243, 262
survey, resolution passed, i. 205
Table of accounts, i. 397
Trouble with land lines, i. 268
"Trust," i. 134
"Trust" and, i. 247, 252–262
"Trust" and Australasian Governments, i. 144
Vested interests *v.* Imperial idea, i. 133
Pacific Islands, i. 6, 115, 336, 373; ii. 267–274
Papua, annexation by Australia, i. 115
Papuan Charter, i. 117
"Party" and Preference, ii. 180
Patent laws—
1887, i. 115
1902, Conferenec, i. 371
Patent Laws—*continued*
Uniformity in, i. 115
1907 Conference and, ii. 314, 315
Patey, Captain, i. 151
Pender, Sir John, and Pacific Cable, i. 134
Playford, Mr., on Pacific Cable, i. 199
Political relations—
Resolutions, 1894, ii. 373
Resolutions, 1897, ii. 373, 374
Resolutions, 1902, ii. 374
Resolutions, 1907, ii. 374, 375
Pollock, Sir Frederick—
in Canada, ii. 22
Proposed Advisory Committee, ii. 8–10
Result of labours, ii. 24
Post, Imperial Penny, i. 91–94, 336; ii. 319
Postal Money Order Conventions, i. 78
Postal Union, International, i. 94, 95 ; ii. 289
Preference—
and defence, ii. 178
and Free Trade, ii. 181
and legal questions, i. 108
and "Party," ii. 80
and restrictive treaties, i. 165
Anglo-Belgian and Anglo-German treaties, i. 169
at 1902 Conference, i. 339
Australia and, ii. 197
Australian constitutions and, i. 169
Australian enactment, 1906, ii. 370
Australian-New Zealand treaty, ii. 205
Australian offer, 1907, ii. 208
Australian resolutions for 1907 Conference, ii. 28
British, in Canada, i. 399
British Ministers on, 1907, ii. 218
Canada and Germany, 1903, ii. 369
Canada and postal and cable rates, i. 278

Preference—*continued*
Canadian "intermediate tariff," ii. 256
Cape Colony and, i. 182; ii. 212
Cobden's philosophy and, i. xxvi
Comparison of preferences, ii. 370
Cosmopolitanism *v.* Imperialism, ii. 182
Dr. Jameson on, 1907, ii. 214
Dr. Smartt on, ii. 248–250
Duty remitted, amount of, ii. 372
Effects of, on trade, ii. 372
Enactments, 1902–1907, ii. 369–373
English market, ii. 198
Fielding-Laurier venture, i. 189
General Botha on, ii. 217
Germination of, i. 165
in Dominions, ii. 45–47
Intercolonial, 1907, ii. 197
Legal obstacles to, i. 169
Liberals and, i. 169, 234
Most favoured nation clause, ii. 187–189
Mr. Asquith on, 1907, ii. 222–233
Mr. Deakin on, i. 75; ii. 189–198
Mr. Foster on, i. 174–181
Mr. Hofmeyr and, i. 62, 65–74
Mr. Lloyd George on, 1907, ii. 233-241
Mr. Service on, i. 75
Mr. Winston Churchill on, ii. 241–245
New Zealand enactments, 1903, 1907, ii. 369
New Zealand offers, 1907, ii. 209
No Canadian offer, 1907, ii. 255
Objections at 1894 Conference, ii. 183–187
Peculiar conditions in Canada, ii. 371
Position of, from 1902, ii. 3
Price of food, ii. 199–202
proposed by Queensland and Cape Colony, i. 16
Reciprocity resolution, 1902, ii. 367
Preference—*continued*
Resolution, 1894, ii. 376
Resolution *re*, 1902, ii. 377
Resolution *re*, 1907, ii. 379
Resolution *re*, and treaty questions, 1907, ii. 379
Resolution *re* treaty obstacles to, 1894, ii. 376
Resolution *re* unilateral, 1902, ii. 377
Resolutions at 1894 Conference, i. 171, 188
Right and wrong policies of, in Britain, ii. 229–232
Sir James Mackay on India and, ii. 219
Sir John Macdonald on, i. 74 (*note*)
Sir Samuel Griffith and, i. 63, 64
Sir Wilfrid Laurier on, ii. 51
Sir Wilfrid Laurier on, 1907, ii. 186
Sir William Lyne on, ii. 245–248
South African Customs Union, i. 182
South African enactments, 1903, 1904, ii. 369
South African offer, 1907, ii. 214
Speeches on, 1907, ii. 183
Unilateral, i. 333
Varying area of, ii. 371
Wine, ii. 214
Prerogative, royal, i. 118–124; ii. 293–296
Press rates over cables, i. 269. *See also* Pacific Cable
Privy Council—
and Colonies, i. 324
Position of, ii. 291. *See* Appeal
Procedure, passage of resolutions not conditional on unanimity, i. 187
Professions—
Reciprocity in, i. 372
Resolutions *re* Reciprocity in 1902, 1907, ii. 386
Protectionist standpoint, ii. 3

Q

Queen Victoria memorial, i. 374

R

Rates, cable, i. 263
Raw material—
  Mr. Asquith on, ii. 225
  No duty on, ii. 232
Reciprocity. *See* Preference
Reports of Conferences, i. 15, 16
Reserve of officers, ii. 140. *See* Defence
Resolutions. *See* Appendix, ii. 37
Retaliation, Mr. Deakin on, ii. 195
Rhodes, Mr. Cecil, i. 7 ; ii. 212
Riel's second rising, 1885, i. 6
Ripon, Lord—
  His principles criticised, i. 240
  Reply to Ottawa resolutions, i. 232–240
Rosebery, Lord, i. 7
Royal Prerogative. *See* Prerogative
Royal William commemoration, i. 164
Russian war scare, i. 5, 201

S

Salisbury, Marquis of—
  at Imperial Conference, 1887, i. 17
  on 1887 Conference, i. 5
Samuel, Sir Saul, i. 35
Secretariat—
  Colonial Office and, ii. 119
  Control of, ii. 120
  Discussion on, ii. 116–130
  Dr. Jameson on, ii. 123
  Fiscal policy and, ii. 197
  High Commissioners and, ii. 127
  Lord Elgin's outline of, ii. 134
  Ministerial responsibility and, ii. 121
  Mr. Deakin on, ii. 116
  Proposals for, 1902, ii. 23
  Resolution on, 1907, ii. 115
  Sir Charles Tupper on, ii. 128
  Sir Wilfrid Laurier on, ii. 121
Seeley, Professor, i. 7
Selborne, Lord, on naval defence, i. 358
Service, Mr.—
  on Preference, i. 75
  on Sugar Bounties, i. 87
Shea, Sir Alexander, i. 57
Sifton, Mr. Clifford, and All-Red Route, 1907, ii. 351
Smartt, Dr.—
  Naval resolution, 1907, ii. 70, 71
  on Preference, 1907, ii. 248–250
South Africa—
  and All-Red Route, 1907, ii. 344
  and emigration, 1907, ii. 284
  and Imperial defence, 1907, ii. 144
  Dr. Jameson on Union, 1907, ii. 83
  Naval enterprise, ii. 161
  Preference enactments, 1903, 1904, ii. 369
South African Colonies and defence, i. 57
South African Customs Union, i. 182
South Australia and Pacific Cable, i. 198
Sovereign's title, i. 125, 126
Spain, Canadian negotiations with, i. 337
Stamp Duties, i. 110
Stamp Duties, British, i. 111, 373 ; ii. 312
Stanhope, Mr., at 1887 Conference, i. 28
Statistics, uniformity of, 1907, ii. 380
Stock, Colonial, i. 110, 336
Submarines, contribution of, ii. 157
"Subsidiary" Conferences. *See* Imperial Conference
Subsidies, shipping, 1902, ii. 383
Suez Canal dues, ii. 348, 362
Sugar Bounties—
  Committee, 1880, i. 86
  Discussion at 1887 Conference, i. 83

Sugar Bounties—*continued*
Mr. Service on, i. 87
Official conception of 1887 Conference, i. 89
Sir Neville Lubbock on, p. 83
West Indies and Canada, i. 85
West Indies and United States, i. 85
Suttor, Mr., i. 194

T

Tariff, intermediate Canadian, 1907, ii. 256
Tariff Reform—
"Forbidden List," ii. 7
League, ii. 6
Mr. Chamberlain's policy, ii. 4
Mr. Lyttelton's despatch, 1905, ii. 10–14
Reception of Mr. Lyttelton's despatch, ii. 14–22
Sir Frederick Pollock's proposed Advisory Committee, ii. 8–10
Tariffs, Colonial, examination of, at 1894 Conference, i. 190
Taxation, double, i. 113
Telegraph Companies (Eastern Extension and Eastern) and Colonial Office, i. 383–389
Telegraphs—
All-Red girdle proposed, 1907, i. 272
Nationalisation of Canadian, proposed, i. 270
See Cable
Telegraphy, wireless, 1902 Conference, i. 372
Terminology—
"Conference" or "Council," ii. 102
"Dominions," not "Colonies," ii. 108
"His Majesty's Government," ii. 109
Territorial army, ii. 133. *See* Defence
Thursday Island, i. 47–51
Toronto resolution, i. 311, 312
Torres Straits, i. 47–51
Trade—
British, with Australia, ii. 203
Canadian-Australasian, ii. 360
Trade marks—
Mr. Mundella on, i. 114
Protection of, i. 114
Trade relations—
Resolution *re* British shipping, 1907, ii. 380
Resolution *re* coastwise trade, 1902, ii. 378
Resolution *re* coastwise trade, 1907, ii. 380
Resolution *re* fiscal autonomy, 1907, ii. 379
Resolution *re* Free Trade, 1902, ii. 377
Resolution *re* Government contracts, ii. 378
Resolution *re* Intercolonial Reciprocity, 1894, ii. 376
Resolution *re* Metric system, 1902, ii. 378
Resolution *re* Preference, 1894 ii. 376
Resolution *re* Preference, 1902, ii. 377
Resolution *re* Preference, 1907, ii. 379
Resolution *re* South African Customs Union, 1894, ii. 376
Resolution *re* treaty obstacles to Preference, 1894, 1897, ii. 376 377
Resolution *re* uniformity of statistics, ii. 380
Resolution *re* unilateral Preference, 1897, ii. 377
Resolution *re* unilateral Preference, 1902, ii. 377
Resolutions *re* Imperial Reciprocity, 1902, ii. 377
Trade resolutions 1902 reaffirmed 1907, ii. 378
Trade statistics, 1907 Conference and, ii. 314

Treaties—
Anglo-Belgian and Anglo-German, i. 169
1902 Conference and, i. 370
Liberal Government and, i. 235
Resolution *re* obligations, 1902, ii. 375
Treaties, German and Belgian—
Mr. Chamberlain on, i. 326
Notice of termination, i. 334
Treaties, restrictive—
British Government and, i. 166
Canadian Parliament and, i. 165
Petition against, 1890, i. 165
Treaties, Colonial commercial—
Discussion at 1887 Conference, i. 78
Postal Money Order Conventions, i. 78
Treaty—
Australian-New Zealand Preference, ii. 205
Canadian-Japanese, 1906, ii. 47
Japanese, mooted, 1897, i. 335
obligations at 1907 Conference, ii. 74
Treaty powers of Colonies—
Agitation in Canada, ii. 53
Discussion, 1887 session, i. 78, 83; 1894 session, i. 165, 169–174; 1897, i. 326–327, 333; 1902 session, i. 371
in relation to shipping, ii. 46, 275
Lord Ripon on, i. 235–240
Sir C. Tupper on, i. 379–382
Tryon, Admiral, Australian defence, i. 23, 36
Tupper, Sir Charles—
on Canadian negotiations with Spain, i. 379
on Secretariat, ii. 128
Tweedmouth, Lord, on naval defence, ii. 151
Two-Power standard, ii. 137. *See* Defence

U

Unionists and Colonies, ii. 26
Unity, organic, i. xx

V

Vancouver-Sydney service subsidised, 1889, i. 142
Venezuelan crisis, i. 302
Volunteers, "Royal" Naval, ii. 161

W

Ward, Sir Joseph—
and Development Fund, ii. 331
on 1907 Conference, ii. 83
on defence, 1907, ii. 146
Wine, preference on, ii. 214
Wireless telegraphy and 1907 Conference, ii. 289–290
Wolseley, Sir Garnet, i. 6
Working classes, Mr. Chamberlain on, i. 296, 299

Y

Young, Sir Frederick, i. 7

Z

Zollverein, Mr. Hofmeyer and, i. 71
Zulu War, i. 7.

Printed by BALLANTYNE, HANSON & Co.
Edinburgh & London